DAKOTA MINERALS
ACN: 009 146 794

CORPORATE DIRECTORY

Non-Executive Chair
John Fitzgerald

Managing Director - CEO
David J Frances

Executive Technical Director
Dr. Francis Wedin

FAST FACTS

Issued Capital:	320.4m
Options Issued:	31.2m
Share Price:	$0.081
Cash:	$14.4m

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

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High Grade Lithium Results Produce Drilling Targets in Northern Portugal

– For Immediate Release –

Highlights:

- **Results received from rock-chip sampling on the granted Sepeda tenement (Barroso-Alvão area), one of Dakota's three Northern Portugal projects**
- **Rock-chips from open pit and underground pegmatite workings grade up to 2.8% Li_2O**
- **Phase One drilling brought forward to mid-August 2016 to test the Sepeda lithium-bearing pegmatites**
- **Lynas Find Lithium Project Update: Phase Two drilling results expected by Friday 15th of July**

Dakota Minerals Limited ("Dakota", "DKO", or "Company") is pleased to announce an update on progress at its Northern Portugal (Lusidakota) lithium projects.

Following acquisition of the Lusidakota projects, Dakota immediately commenced exploration activities in the Barroso-Alvão region, within granted tenement MNPP04612 ("Sepeda" prospect). Works included rock-chip sampling in areas of open pit and underground historic mine workings, and shallow auger drilling over an area of historic tailings. The results of the rock-chipping work have now been received. Sampling over the open pit and underground workings, within the Sepeda pegmatite swarm, has yielded multiple samples grading more than 1% Li_2O and up to 2.8% Li_2O with spodumene and petalite identified. Following these positive results, Dakota has accelerated its plans for drilling at Sepeda and aims to commence drill-testing the main pegmatites from mid-August 2016.

Dakota Minerals CEO David Frances commented: *"We are very pleased that within such a short space of time, we have defined lithium-bearing pegmatite drill targets at the Sepeda prospect. Because of our strong cash position, we have the ability to fast-track these promising projects in the backyard of likely the fastest developing lithium market in the world."*

Sepeda Project Details & Mapping Results

Sepeda is situated on granted tenement MNPP04612, within the Barroso-Alvão district, one of three areas that form Dakota's Lusidakota projects in Northern Portugal (Figure 1). Structural and lithological mapping, rock-chip and auger sampling were conducted in the Sepeda region of the Barroso-Alvao project area in June 2016. Results of the auger sampling are still outstanding. This work delineated a swarm of multiple 110 degree (WNW) striking, lithium-bearing pegmatites of the LCT (Lithium-Caesium-Tantalum) type. Individual pegmatites range in width up to 40m, and surface strike length up to 300m. The pegmatites' dip varies between 10 and 40 degrees, dipping mainly to the north. The main swarm area is roughly 1,500m long by 500m wide. Some of the pegmatites do not outcrop and are visible only in historic underground workings. It is thought that the pegmatites form a shallow-dipping, "stacked" system of mineralised pegmatite dykes, linked by barren, vertical feeder veins. During this programme, some of the pegmatites could not be accessed for sampling due to ground instability issues. These may be tested by some test drilling in the upcoming campaign, as well as the higher priority pegmatite areas.

Sepeda Sampling Results

A total of 55 samples were taken across the old workings at Sepeda. Samples were taken, where possible, in one metre channel form and perpendicular to the strike of the pegmatite. All samples were taken from *in situ* material, both at surface and underground. Lithium mineralisation was mainly associated with petalite, with subsidiary spodumene, amblygonite and lepidolite. Some alteration (kaolinisation) was present near or at surface. Multiple samples returned >1% Li_2O, with a maximum of 2.8% Li_2O. The two main areas of mineralisation sampled were the Romano pegmatite, a historical open pit mine (Figure 1 & Figure 2), and the underground workings in Block C (Figure 1). Some areas of historical pegmatite mine workings, particularly south of Block C, could not be accessed due to potentially unstable ground, and in the future may be drill-tested instead from a safe distance.

Future Works

Following the positive results from the first pass sampling, planned reconnaissance reverse circulation (RC) drilling has now been fast-tracked, and will now commence at Sepeda in mid-August 2016. The initial programme is likely to be in the order of 2,500m of total drilling, and will focus on identifying stacked systems of shallow-dipping pegmatites, where grade and tonnage potential are highest. Regional mapping and sampling will continue in the meantime, to identify further targets. Metallurgical test-work will also be undertaken at Anzaplan in Germany, to test the optimal recovery routes for the lithium-bearing material from Sepeda.

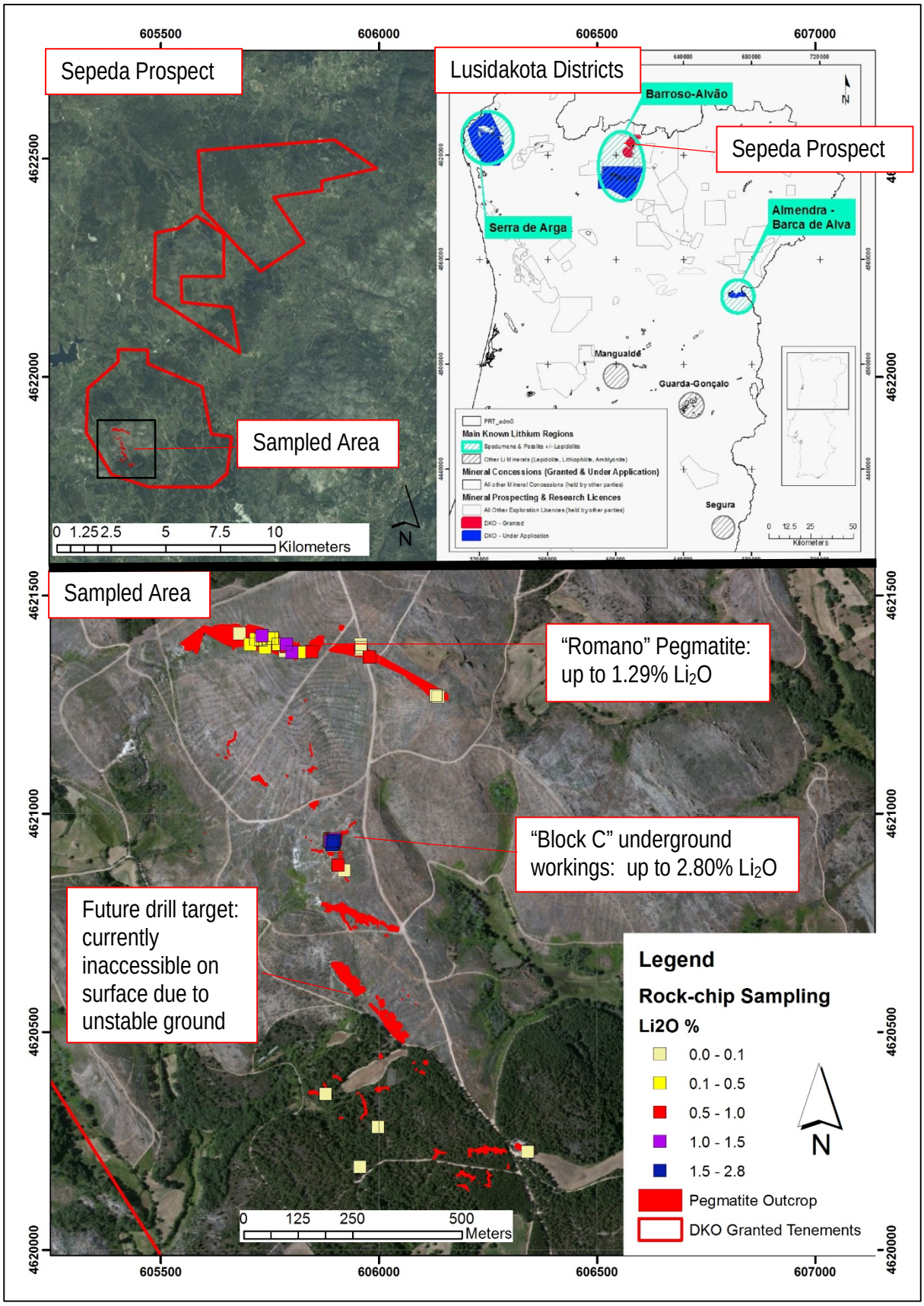

Figure 1: Sepeda Tenement, Barroso-Alvao District, Lusidakota Project

Figure 2: Lithium-bearing pegmatite outcrops in various open pit mines, Sepeda prospect.

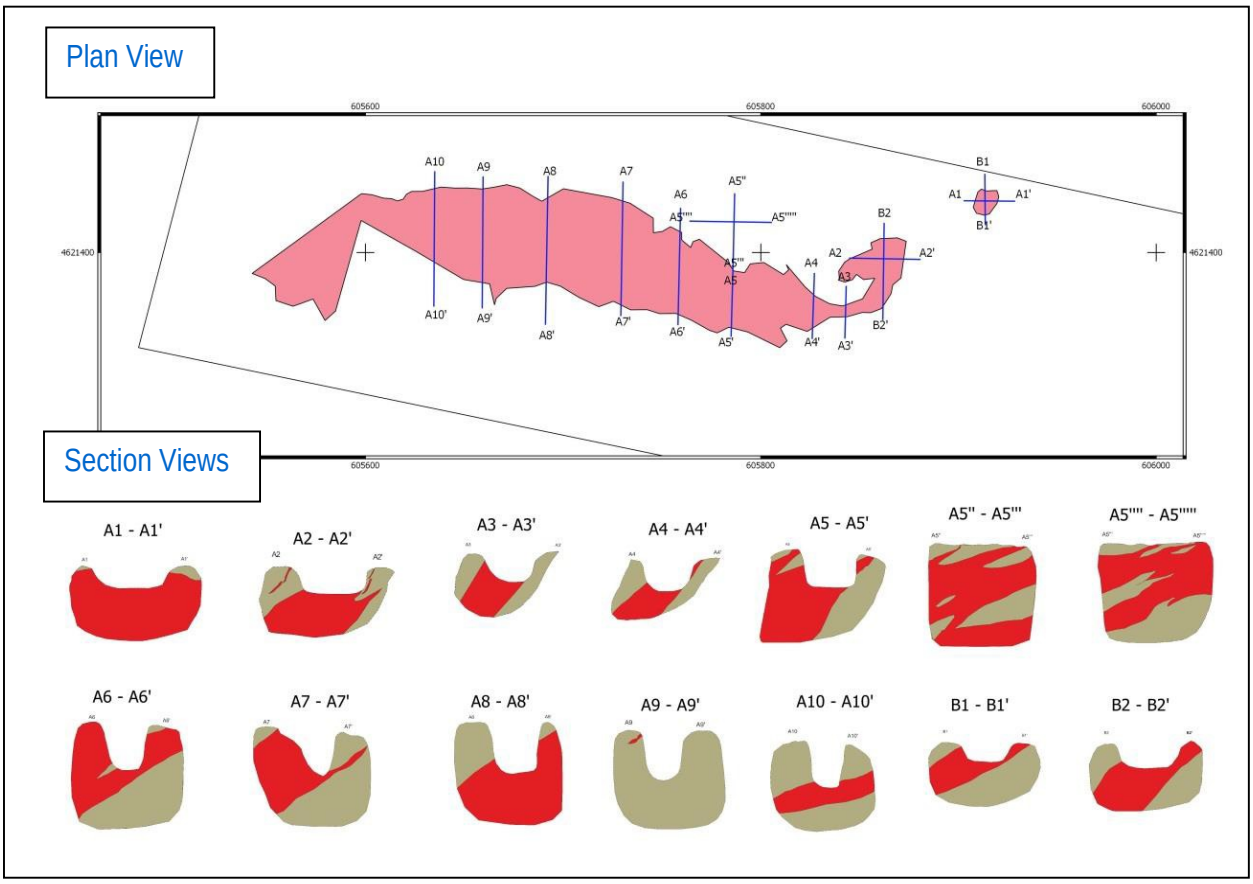

Figure 3: An example of one of the typical pegmatites at Sepeda, Barroso-Alvao: "Romano" Pegmatite exposed in open-pit workings, with projected mapped sections shown (from surface only, not confirmed by drilling).

Northern Portugal (Lusidakota) Lithium Projects

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). Portugal, as the leading lithium producer in Europe[1], was identified by the management team 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[2], and Volkswagen to follow suit[3]. Battery producers will need more lithium 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 policies[4]. For these reasons, the management of Dakota have been pursuing projects in areas most prospective for lithium in Portugal.

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-

Contacts:

Dakota Minerals Limited	**Cannings Purple**
Tel: +61 (8) 9336 6619	**Mob: 0406 775 241**
David J Frances	**Michael Cairnduff**
Managing Director – CEO	**Account Manager**

[1] USGS Mineral Commodity Summaries, 2016
[2] http://media.daimler.com/deeplink?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

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Appendix 1: Rock-Chip Samples

SAMPLE_ID	EAST	NORTH	PROJECT	TENEMENT	Li2O_PERCENT
L00001	606171	4620147	Sepeda	MN/PP/046/12	0.00
L00002	605959	4621375	Sepeda	MN/PP/046/12	0.02
L00003	605960	4621380	Sepeda	MN/PP/046/12	0.02
L00004	605958	4621386	Sepeda	MN/PP/046/12	0.02
L00005	605979	4621358	Sepeda	MN/PP/046/12	0.58
L00006	605847	4621370	Sepeda	MN/PP/046/12	0.54
L00007	605820	4621369	Sepeda	MN/PP/046/12	0.39
L00008	605801	4621369	Sepeda	MN/PP/046/12	1.29
L00009	605787	4621382	Sepeda	MN/PP/046/12	0.71
L00010	605777	4621386	Sepeda	MN/PP/046/12	0.02
L00011	605770	4621387	Sepeda	MN/PP/046/12	0.24
L00012	605730	4621397	Sepeda	MN/PP/046/12	0.26
L00013	605732	4621407	Sepeda	MN/PP/046/12	1.25
L00014	605681	4621412	Sepeda	MN/PP/046/12	0.09
L00015	605705	4621386	Sepeda	MN/PP/046/12	0.24
L00016	605718	4621398	Sepeda	MN/PP/046/12	0.28
L00017	605788	4621387	Sepeda	MN/PP/046/12	1.29
L00018	605785	4621371	Sepeda	MN/PP/046/12	0.00
L00019	605756	4621401	Sepeda	MN/PP/046/12	0.19
L00020	605757	4621401	Sepeda	MN/PP/046/12	0.39
L00021	605748	4621401	Sepeda	MN/PP/046/12	0.22
L00022	605739	4621380	Sepeda	MN/PP/046/12	0.50
L00023	606131	4621270	Sepeda	MN/PP/046/12	0.00
L00024	606136	4621267	Sepeda	MN/PP/046/12	0.00
L00025	605887	4620941	Sepeda	MN/PP/046/12	0.04
L00026	605888	4620940	Sepeda	MN/PP/046/12	0.11
L00027	605889	4620936	Sepeda	MN/PP/046/12	1.31
L00028	605889	4620935	Sepeda	MN/PP/046/12	1.18
L00029	605891	4620934	Sepeda	MN/PP/046/12	0.41
L00030	605895	4620931	Sepeda	MN/PP/046/12	0.15
L00031	605896	4620929	Sepeda	MN/PP/046/12	0.13
L00032	605897	4620928	Sepeda	MN/PP/046/12	0.24
L00033	605896	4620926	Sepeda	MN/PP/046/12	0.24
L00034	605893	4620928	Sepeda	MN/PP/046/12	2.20
L00035	605893	4620930	Sepeda	MN/PP/046/12	0.02
L00036	605892	4620932	Sepeda	MN/PP/046/12	0.09

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SAMPLE_ID	EAST	NORTH	PROJECT	TENEMENT	Li2O_PERCENT
L00037	605889	4620933	Sepeda	MN/PP/046/12	0.17
L00038	605888	4620935	Sepeda	MN/PP/046/12	0.26
L00039	605894	4620934	Sepeda	MN/PP/046/12	1.74
L00041	605895	4620937	Sepeda	MN/PP/046/12	2.80
L00042	605898	4620937	Sepeda	MN/PP/046/12	1.46
L00043	605899	4620939	Sepeda	MN/PP/046/12	0.88
L00044	605902	4620941	Sepeda	MN/PP/046/12	0.71
L00045	605896	4620940	Sepeda	MN/PP/046/12	0.43
L00046	605893	4620940	Sepeda	MN/PP/046/12	0.78
L00047	605890	4620940	Sepeda	MN/PP/046/12	0.88
L00048	605894	4620921	Sepeda	MN/PP/046/12	0.11
L00049	605886	4620919	Sepeda	MN/PP/046/13	0.80
L00050	605907	4620881	Sepeda	MN/PP/046/14	0.00
L00051	605921	4620869	Sepeda	MN/PP/046/15	0.04
L00052	605701	4620539	Sepeda	MN/PP/046/16	0.06
L00053	605878	4620356	Sepeda	MN/PP/046/17	0.00
L00054	605998	4620281	Sepeda	MN/PP/046/18	0.06
L00055	605957	4620190	Sepeda	MN/PP/046/19	0.04
L00056	606342	4620224	Sepeda	MN/PP/046/20	0.30

Appendix 2: Lusidakota - JORC Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	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.	The Lusidakota field team took a total of 55 rock-chip samples from surface and underground workings (see Appendix 1 for details).
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Samples submitted for assay typically weigh 3-4kg.
	Aspects of the determination of mineralisation that are Material to the Public Report.	
	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.	Not applicable.
Drilling Techniques	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.).	Not applicable.
Drill Sample Recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	Not applicable.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	
	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.	
Logging	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.	Not applicable.

Criteria	JORC Code Explanation	Commentary
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged.	
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, halfor 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. Quality control procedures adopted for all sub- sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field Whether sample sizes are appropriate to the grain size of the material being sampled.	Rock-chip sample size (3-4kgs) accepted as general industry standard. Every effort is made whilst sampling to provide a representative sample from the chosen sample point. Sample preparation was conducted at ALS laboratories to industry best practice standards: jaw crushing so that >70% passes -6mm, pulverizing and splitting the samples.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. 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	Analytical procedures used included ALS technique ME-MS85 - a lithium borate fusion – for select elements, and by ME-ICP82b, a sodium peroxide fusion used to analyse for high grade lithium. Not applicable. Lab standards and blanks were used, and no external blanks or duplicates were inserted, due to reconnaissance nature of samples. No external laboratory checks have been used.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols	Not applicable. Not applicable. All field data is manually collected in the field, entered into Excel spread sheets, then validated and stored electronically and in hard copy in the Perth office.

Criteria	JORC Code Explanation	Commentary
	Discuss any adjustment to assay data.	Li was converted to Li_2O for the purposes of reporting. The conversion used was Li_2O = Li x 2.153
Location of data points	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. Specification of the grid system used Quality and adequacy of topographic control.	All geochemical samples were located using a hand-held GPS. The grid system used is the Portuguese national ETRS89 – PT-TM06 datum All RL data to date has been collected using a hand-held GPS.
Data spacing and distribution	Data spacing for reporting of Exploration Results. 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. Whether sample compositing has been applied.	Sample spacing is variable and based on outcrop location. Samplers were also constrained by some pits and underground workings currently being inaccessible. Not applicable.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 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.	Sampling completed at right angles to interpreted strike of pegmatite dykes, from selected points along the strike of the pegmatites. Not applicable.
Sample security	The measures taken to ensure sample security	Dakota contract geologist and field assistant conducted all sampling and subsequent storage in field. Samples were then delivered via road freight to ALS laboratories in Spain and Ireland.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	None completed to date.

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 Lusidakota tenements and interests, to which Dakota has 100% rights (subject to grant of application areas), comprise: (a) granted exploration licence MNPP04612, in the Barroso-Alvao district; (b) exploration licence applications MNPPP0395, MNPPP0497 (Barroso-Alvao district), MNPPP0274, MNPPP0275, MNPPP0396 (Serra de Arga district), MNPPP0393, MNPPP0394 (Barca de Alva district); Tenement application MNPPP0395 is awaiting a decision on a proposed hydroelectric dam development. This tenement and tenement MNPPP0407 also have some overlapping claims. The grant of MNPP0393 may be affected by an overlapping national park area. All tenements are understood to be in good standing.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Historical, open-source academic literature from Dakota's three districts in Portugal refer to historical rock-chip, bulk samples, diamond drilling and surface channel sampling. 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 Dusausoy, 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,

Criteria	JORC Code Explanation	Commentary
		Leal Gomes, C, and Lopes Nunes, J, 2010. The LCT-NYF signatures in rare-metal Variscan aplite-pegmatites from NW Portugal. Revista Electronics 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 petalite and spodumene-hosted, potentially economic lithium mineralisation
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 metassedimentary and metavolcanosedimentary-exhalative Silurian series (Minho Central and Domo de Covas Units). According to Dias (2014), there are two groups of 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 Km2 that comprises Gouveia-Fornos, de Algodres-Celorico and da Beira-Guarda-Belmonte-Sabugal regions (Ramos, 2007).
Drill hole Information	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: • easting and northing of the drill hole collar	Not applicable. Refer to Appendix 1 in this announcement for rock-chip sample details.

Criteria	JORC Code Explanation	Commentary
	• 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.	
Data aggregation methods	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 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. The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable. Not applicable. Not applicable.
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.
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 Figure 1 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.	Results of all rock-chips have been reported in Appendix 1.
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 relating to the geochemical programme 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).	First pass RC drilling.