



DART MINING NL

ABN: 84 119 904 880

**Financial Report
For the Half Year Ended
31 December 2017**

DART MINING NL
FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2017

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public pronouncements made by Dart Mining NL during the interim reporting period in accordance with the continuous disclosure requirements of the Australian Securities Exchange.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Dart Mining NL and the entities it controlled at the end of or during the half-year ended 31 December 2017.

Directors

The following persons were directors of Dart Mining NL during the half-year up to the date of this report.

James Chirnside (Chairman / Managing Director)

Russell Simpson (Non-Executive Director)

Luke Robinson (Non-Executive Director)

Julie Edwards (Company Secretary)

Operating Results

The operating loss after tax of the consolidated entity for the half-year ended 31 December 2017 is \$1,788,737 (2016: \$335,093).

Review of Operations

A detailed review of operations is contained in the quarterly reports of September 2017 and December 2017 issued to the Australian Stock Exchange Limited.

Highlights of the company's activities during the half-year were:

Overview

During the first half FY2018 Dart progressed on a number of fronts with legacy issues and new initiatives.

Most importantly AusIndustry issued Dart with a certificate that recognises a substantial amount of Dart's previously disputed research and development tax concession payments as legitimate.

The company settled - through the Victorian Magistrates Court - an action taken by a former employee of Dart against unfair dismissal.

A successful rights Issue with free attaching option was successfully concluded in November and we were overwhelmed by the broad participation of pre-existing shareholders whose numbered nearly 300 participants. It was remarkable outcome.

Most important to the future of the company was a continuation in our Lithium exploration activities which, after our successful capital raising, we were able to recalibrate and accelerate. The enormity of the exploration program is best demonstrated by the sheer numbers of previously mapped (in 1912) dykes whose numbers exceed 1,800. Many of these dykes will be sub-economic but we hope that some will prove exploitable. More specific exploration skills and Lithium based exploration experience will be required on the program over the coming months. We remain optimistic in our view of the potential of this opportunity in Lithium exploration.

Lithium prices remain elevated with Lithium Carbonate (Li_2CO_3) trading above \$US20,00 per tonne. There is a great deal of focus and speculation in financial markets as to whether these high prices can be sustained. It is a story of constrained supply at a time of exponential growth in demand. It is a global theme as the world accelerates towards comprehensive electrification of energy systems. It is a good thematic for our company and we will continue in our efforts to uncover opportunities.

The companies Gold projects have progressed with an application for expansion in the Mt View gold project Mining Licence (ML). This is required to allow for deeper penetration of a pit and for stacking of waste on the tenement itself. There is further drilling required beyond what has been done so far and geochemical anomalies present along a northern strike from the existing pit.

The Rushworth Gold projects require a bulk-sampling program as a next step to understanding the economics of it.

Fairlys gold project is under application for a Retention Licence (RL) and as a next step will require further extensive exploration drilling.

Dart Mining NL

The Mt. Unicorn Molybdenum project has been shelved until we see a sustained improvement in the price of the commodity. A Retention Licence (RL) is under application with the Victorian mines department.

We wish to extend a sincere thankyou to our shareholders for the continued support shown through the recent capital raising and assure you that we as a board remain optimistic and committed to Dart's exploration activities and particularly Lithium.

A copy of the auditor's Independence Declaration as required under Section 307C of the Corporation Act 2001 is set out on page 5 of the half-year Financial Report.

Signed in accordance with the resolution of Directors.



James Chirnside
Chairman / Managing Director



Luke Robinson
Non-Executive Director



Russell Simpson
Non-Executive Director

Melbourne
13 March 2018

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF DART MINING NL AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2017 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



MSI RAGG WEIR
Chartered Accountants



I.L. JENKINS
Partner

Melbourne: 13 March 2018

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Note	Consolidated	
		December 2017	December 2016
		\$	\$
Interest revenue	3	1,382	1,476
Other income	3	-	13,097
Total revenue	3	1,382	14,573
Total expenses	3	(1,790,119)	(349,666)
Profit (loss) before income tax		(1,788,737)	(335,093)
Income tax (expense)/benefit		-	-
Profit (loss) for the period		(1,788,737)	(335,093)
Basic and diluted (loss) per share (cents per share)		(0.45)	(0.10)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	Consolidated	
		December 2017	June 2017
Current Assets			
Cash and cash equivalents		540,094	218,722
Trade and other receivables		15,915	8,916
Other assets		9,377	24,000
Total Current Assets		565,386	251,638
Non-Current Assets			
Property, plant and equipment		44,339	62,555
Other non-current assets		90,596	239,214
Deferred exploration and evaluation costs	4	7,495,419	8,266,729
Total Non-Current Assets		7,630,354	8,568,498
TOTAL ASSETS		8,195,740	8,820,136
Current Liabilities			
Trade and other payables		108,685	95,245
Provisions		94,924	84,803
Total Current Liabilities		203,609	180,048
Non-Current Liabilities			
Provisions		-	-
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		203,609	180,048
NET ASSETS		7,992,131	8,640,088
Equity			
Issued capital	5	21,074,874	19,934,094
Reserves		11,010	11,010
Accumulated losses		(13,093,753)	(11,305,016)
TOTAL EQUITY		7,992,131	8,640,088

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2017

	Ordinary Share Capital	Share-Based Payment Reserves	Accumulated losses	Total
	\$	\$	\$	\$
Consolidated Group				
Balance at 1 July 2016	18,925,999	193,060	(10,771,673)	8,347,386
Comprehensive income				
Loss for the period	-	-	(335,093)	(335,093)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	(335,093)	(335,093)
Transactions with owners, in their capacity as owners, and other transfers				
Lapsed options transferred	-	(172,300)	172,300	-
Issued of fully paid shares	599,664	-	-	599,664
Capital raising costs during the period	(43,874)	-	-	(43,874)
Total transactions with owners and other transfers	555,790	(172,300)	172,300	220,697
Balance at 31 December 2016	19,481,789	20,760	(10,934,466)	8,568,083
Balance at 1 July 2017	19,934,094	11,010	(11,305,016)	8,640,088
Comprehensive income				
Loss for the period	-	-	(1,788,737)	(1,788,737)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	(1,788,737)	(1,788,737)
Issue of fully paid shares	1,210,442	-	-	1,210,442
Capital raising costs during the period	(69,662)	-	-	(69,662)
Total transactions with owners and other transfers	1,140,780	-	-	1,140,780
Balance at 31 December 2017	21,074,874	11,010	(13,093,753)	7,992,131

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Consolidated	
	December 2017 \$	December 2016 \$
Cash Flows from operating activities		
Interest received	1,246	1,313
Research and development grant	-	13,097
Payments to suppliers and employees	(400,647)	(516,655)
Net cash inflow/ (outflow) from operating activities	(399,401)	(502,245)
Cash flows from investing activities		
Payment for exploration expenditure	(209,355)	(157,307)
Payment for Investments	-	(2,913)
Purchase of property, plant and equipment	-	(9,485)
Payment of security bonds	(28,955)	(10,000)
Net cash inflow/ (outflow) from investing activities	(238,310)	(177,901)
Cash flows from financing activities		
Proceeds from issue of shares	1,028,745	599,664
Share issue costs	(69,662)	(43,874)
Net cash inflow/ (outflow) from financing activities	959,083	555,790
Net cash inflow/ (outflow) for the reporting period	321,372	(126,160)
Cash and cash equivalents at the beginning of the period	218,722	436,598
Cash and cash equivalents at the end of the period	540,094	310,438

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

1. CORPORATE INFORMATION

Dart Mining NL (“the Company”) is a for profit Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The half-year report for the six months ended 31 December 2017 of the company is a general purpose report that has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. This report was authorised for issue in accordance with a directors’ resolution dated 13 March 2018.

The nature of the operations and principal activities of the Group are described in Note 8.

2. BASIS FOR PREPARATION

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian Dollars unless otherwise noted.

a) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were used in the Group’s last reported annual financial statements at 30 June 2017, unless otherwise stated.

b) Critical Accounting Estimates and Judgements

The critical estimates and judgements are consistent with those applied and disclosed in the June 2017 annual report.

Key Judgements

i. Exploration and Evaluation Expenditure

Exploration expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to a relinquished area are written off in full against the profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

ii. Government Grants/Rebates

Government grants and/or rebates are not recognised until there is reasonable assurance that the Group will be eligible and receive such incentives.

All Research and Development grants are made conditional upon possible post grant review by Innovation Australia (formerly AusIndustry), which may result in a grantee refunding part or all of a Research and Development grant. Innovation Australia will be reviewing the company’s subsequent submissions for Research and Development grant applications but no refund request has been made and the matter has not been finalised in an endeavour to resolve the matter at the date of this report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (continued)

iii. Going Concern Basis

The Group is involved in the exploration and evaluation of mineral tenements and as such expects to be cash absorbing until these tenements demonstrate that they contain economically recoverable reserves.

As at 31 December 2017, the Group had a surplus of current assets over current liabilities of \$361,777 (30 June 2017: \$71,590) with cash reserves of \$540,094 (30 June 2017: \$218,722).

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 settlement of liabilities in the ordinary course of business. The ability of the Group to continue as a going concern for the twelve months from the date of this report is dependent on its ability to generate additional funds from activities including:

- other future equity or debt fund raisings; and
- successful development of existing tenements.

3. LOSS FOR PERIOD

The following revenue and expense items are relevant in explaining the financial performance for the interim period.

	Note	Consolidated	
		December 2017	December 2016
		\$	\$
Revenue			
Interest received		1,382	1,476
Research grant received		-	13,097
		<hr/>	<hr/>
TOTAL REVENUE		1,382	14,573
Expenses			
Receivables written off		214,264	-
Exploration expenditure written off		1,132,325	-
Administration expenses		81,987	73,254
Consultancy fees		36,861	20,210
Depreciation		8,842	8,738
Employee costs		183,834	87,027
Insurance		17,000	18,641
Office expenses		20,140	25,275
Professional fees		80,140	96,987
Provision for annual leave		3,712	5,675
Travel		10,081	10,321
Other expenses from ordinary activities		933	3,538
		<hr/>	<hr/>
TOTAL EXPENSES		1,790,119	349,666

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (continued)

4. EXPLORATION AND EVALUATION ASSETS

	Consolidated Group	
	December 2017	June 2017
	\$	\$
Balance at the beginning of the period	8,266,729	8,117,308
Costs for the period	361,015	216,737
Exploration costs written off	(1,132,325)	(67,316)
Balance at the end of the period	7,495,419	8,266,729

Ultimate recovery of deferred exploration and evaluation costs is dependent upon the success of the Pre-feasibility Study, exploration and evaluation or sale or farm-out of the exploration interests. A percentage of the Managing Director's salary and associated costs are capitalised in line with the Company's policy for capitalising costs directly relating to Pre-feasibility and exploration. Namely, the Company has four cost centres, Corporate, Pre-feasibility Study, Research and Development and Exploration. Where identifiable, costs associated with the Pre-feasibility Study and Exploration cost centres are capitalised. These costs are annually reviewed for impairment and a charge is made directly to the Income Statement of the Company when an impairment is identified.

5. CONTRIBUTED EQUITY

	Consolidated Group	
	December 2017	June 2017
	\$	\$
Issued Capital	21,074,874	19,934,094
	No.	\$
Movements in ordinary shares on issue		
At 1 July 2016	300,023,714	18,925,999
Share issue transaction costs net of capital raising costs	111,461,335	1,008,095
At 30 June 2017	411,485,049	19,934,094
Share issue transaction costs net of capital raising costs	223,915,597	1,140,780
At 31 December 2017	635,400,646	21,074,874

On the 16th October 2017, 86,714,432 shares and 86,714,432 options were issued. On 30th October 2017, 119,028,200 shares and 119,028,200 options were issued. On 8th November 2017, 18,172,965 shares were issued.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 (continued)

6. COMMITMENTS AND CONTINGENCIES

In addition to the commitments disclosed in the June 2017 Financial Report, the Group notes the changes to the following expenditure commitments during the six months ended 31 December 2017.

	December 2017	June 2017
Operating lease	-	10,644
Licence agreement	12,211	24,423
Minimum exploration commitments	929,283	760,149

The exploration commitment can decrease owing to time reduction of permits maintained by the Group.

As noted in the June 2017 Financial Report, Dart Mining NL received a notification from Innovation Australia (formerly AusIndustry) stating that the previous R&D Claims did not contain eligible core or supporting R&D activities in accordance with the Industry Research and Development Act 1986. Subsequent submissions have been made which are not yet finalised in an endeavour to resolve the matter. Preliminary advice from the independent expert (based on a first draft response from Innovation Australia) is that there is a reasonable degree of confidence that significant aspects of the claim will be allowed, however, if this is not the case the total amount which is potentially refundable to Innovation Australia is \$321,584 as disclosed in the Financial Statements for the year ended 30 June 2017. The issue is still in the process of being resolved.

No contingent assets existed at the reporting date.

7. RELATED PARTY TRANSACTIONS

There were no related party transactions.

8. OPERATING SEGMENTS

The Group's activities consist of base metal and gold exploration in Australia. There are no other significant classes of assets, either singularly or in aggregate. Internal monthly management reports are provided to the Group's managing director that consolidate operations into one segment. Therefore, the Group's activities are as one business segment and therefore operating results and financial information are not separately disclosed in this note.

9. FAIR VALUE

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The market approach is the valuation technique selected by the Group. This valuation technique uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities. The carrying value in the Statement of Financial Position is the same as fair value for all monetary assets and liabilities.

10. EVENTS AFTER THE END OF THE INTERIM PERIOD

The Directors are not aware of any significant events since the end of the interim period.

DIRECTORS' DECLARATION


In accordance with a resolution of the Directors of Dart Mining NL, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 13 are in accordance with the Corporation Act 2001, and
 - a. comply with Australian Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. give a true and fair view of the financial position as at 31 December 2017 and of the performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable: and

Signed in accordance with the resolution of the Directors made pursuant to section 303(5) of the Corporations Act 2001.



James Chirside
Chairman / Managing Director



Luke Robinson
Non-Executive Director



Russell Simpson
Non-Executive Director

Melbourne
13 March 2018

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF DART MINING NL**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Dart Mining NL (the Entity), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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.

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 the Entity is not in accordance with the Corporations Act 2001 including:

- i. giving a true and fair view of the Entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2(iii) in the half year financial report which indicates that the ability of the Entity to continue as a going concern is dependent on its ability to generate additional funds from activities including other future equity or debt raising and successful development of existing tenements. These conditions, the loss for the period along with other matters as set out in Note 6, indicate the existence of a material uncertainty that may cast significant doubt about the Entity's ability to continue as a going concern and therefore the Entity may be unable to realise its assets and discharge its liabilities in the normal course of business at amounts stated in the half year financial report.

Our opinion is not qualified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

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

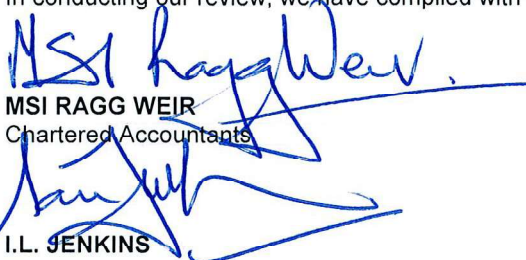
Auditor's Responsibility

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 Entity's financial position as at 31 December 2017 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 the Entity, 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.


MSI RAGG WEIR
Chartered Accountants

I.L. JENKINS
Partner
Melbourne: 13 March 2018