

# ASX Release

## Report for the Quarter Ended 30 June 2020

31 July 2020

Dart Mining NL (“Dart” or “the Company”) is pleased to present its Quarterly Report for the three-month period ending 30 June 2020 and to provide commentary and update to shareholders.

Commenting on the Quarter, Managing Director James Chirnside said:

*“Drilling on the Buckland Gold Field is expected to commence in late-August. Delays to the original scheduling have occurred as a result of restricted border movements. We do not anticipate any further hold-ups.”*

*“Dart is encouraged by the results of its rock chip and soil sampling program at the Sandy Creek gold project south of Albury-Wodonga in Victoria, which has identified multiple occurrences of disseminated gold-sulphide mineralisation. Dart is now preparing a 1000m drill program for Sandy Creek, which produced gold historically but has not been drill tested using modern exploration techniques and we expect to commence that during the September 2020 quarter, with a \$900,000 share placement completed to help fund these and other exploration activities across our projects.”*

### BUCKLAND GOLD PROJECT

The Buckland Gold Project is located 200km north-east of Melbourne and contains the regionally extensive Fairleys Shear Zone which controls the location of significant gold mineralisation in the Buckland Goldfield. Dart’s exploration work has shown the Fairleys Shear Zone to consist of multiple individual mineralised shears, each several kilometres long (ASX 20 Aug 2019, ASX 2 Sept 2019). These shears are interpreted to be up to, or greater than 25m wide, and typically have a relatively narrow, high-grade quartz-sulphide core enveloped by wider, low to medium-grade disseminated sulphide mineralisation (ASX 13 Dec 2019). The scale of the shear-related mineralisation offers excellent potential for delineating a large-scale gold deposit.

The Company’s exploration activities to date have identified multiple drilling targets, and it is expected that Phase 1 drilling at the Fairleys prospect will commence late-August. Ongoing field exploration activities will also continue with chip and soil sampling across promising prospects such as Motor, Redjacket, beneath Harp of Erin, and Samson workings.

### SANDY CREEK GOLDFIELD

#### Background

The Sandy Creek and Tallandoon goldfields in northeast Victoria are known for historical production of exceptionally high-grade gold from narrow lodes (up to 3.5 kg/t). Located 60km south of Albury-Wodonga, detailed mapping and sampling by Dart Mining geologists have redefined the exploration and mineralisation model for these goldfields. Exploration focus has now shifted to higher volume, disseminated gold sulphide mineralisation in altered granites adjacent to high-grade, narrow-vein gold mineralisation.



ASX Code: DTM

#### Key Prospects / Commodities:

##### GOLD

Mountain View / New Discovery - Au

Fairleys - Au

Rushworth – Phoenix - Au

Onslow – Au

Saltpetre Gap - Au

##### LITHIUM / TIN / TANTALUM

Glen Wills – Li-Sn-Ta

Eskdale / Mitta – Li-Sn-Ta

##### PORPHYRY GOLD / COPPER / MOLYBDENUM

Empress – Au-Cu

Stacey’s – Au-Cu

Copper Quarry: Cu+/- Au

Gentle Annie: Cu

Morgan Porphyry: Mo-Ag-Au

Unicorn Porphyry: Mo-Cu-Ag

#### Investment Data:

Shares on issue: 74,959,107

Unlisted options: 9,070,000

#### Substantial Shareholders:

Top 20 Holdings: 59.63.03%

#### Board & Management:

Managing Director: James Chirnside

Non-Executive Director: Denis Clarke

Non-Executive Director: Luke Robinson

Company Secretary: Julie Edwards

#### Dart Mining NL

ACN 119 904 880

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#### James Chirnside

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The Sandy Creek and Tallandoon goldfields jointly cover a 26km by 5km area, hosting gold and minor tin mineralisation (Figure 1). Alluvial gold was initially discovered in 1854 along Sandy Creek with approximately 5km of the creek mined for both tin and gold.

Records indicate that 160,000oz of gold was produced from 11,000 tonnes of ore between 1877 – 1915 from Sandy Creek reefs (Lanzer, 1988) with reported head grades of 3562 g/t Au from the A1 Lloyds mine (Wodonga & Towong Sentinel, 1888), and average grades of 77 g/t Au.

Similarly, the Tallandoon Goldfield is estimated to have produced 100,000 oz of gold between 1886 – 1915, although it was sporadically worked until 1945, largely for antimony production, with 33.5 tons of antimony produced from the Carry On mine (Oppy et al., 1995; Phillips, 2010).

Included amongst this is a reported crushing of 1470 g/t from the Tallandoon Goldfield (101.5 oz from 5 tons ore, Mystery [Tallandoon] Reef; Wodonga & Towong Sentinel, 1911), and the discovery of a 51 oz (1.4kg) gold nugget (Quandong Reef; Border Morning Mail & Riverina Express, 1913). The average grade produced from the Tallandoon field was 95 g/t Au, as compiled from newspaper reports.

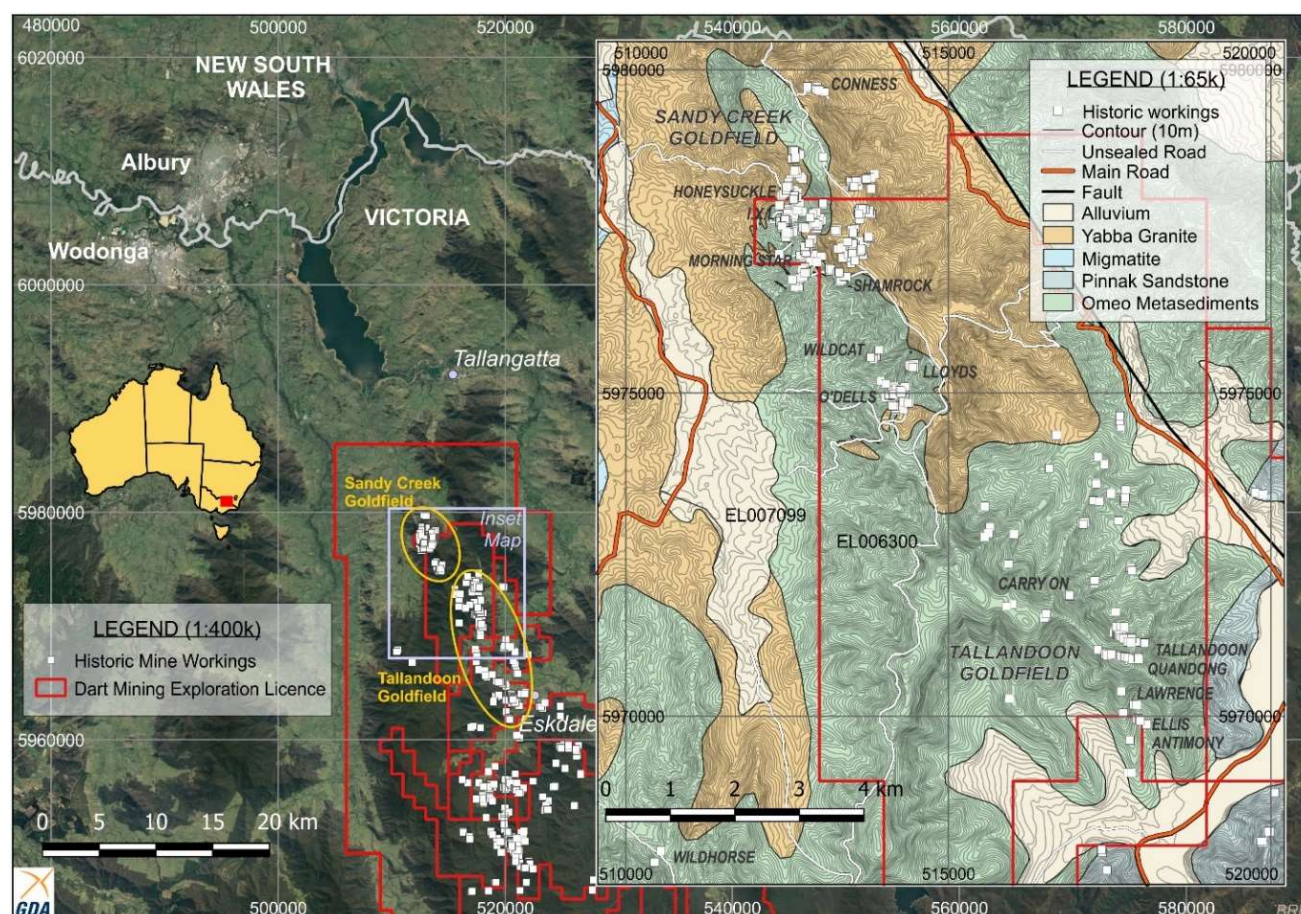


Figure 1: Location and revised geological mapping of the Sandy Creek and Tallandoon goldfields in Northeast Victoria. The names of notable historic mine workings are labelled.

### Exploration activities

During the June quarter, Dart reported exceptional results from its mapping and sampling activities at Sandy Creek. Rock chip and soil sampling provided evidence for multiple zones of gold mineralisation associated with altered granite at structural intersections on the periphery of the Yabba Granite, and Dart is confident its rock chip and soil sampling has identified and located all historical workings in the Sandy Creek Goldfield.

Results from Dart's exploration to date support the Company's belief that Sandy Creek has excellent potential to host substantial gold mineralisation in hydrothermally altered granites.

The Honeysuckle, I.X.L East, Shamrock and O'Dell's mines (see Figure 2) have been identified as the principal exploration targets through field mapping, rock chip and soil sampling by Dart Mining geologists.

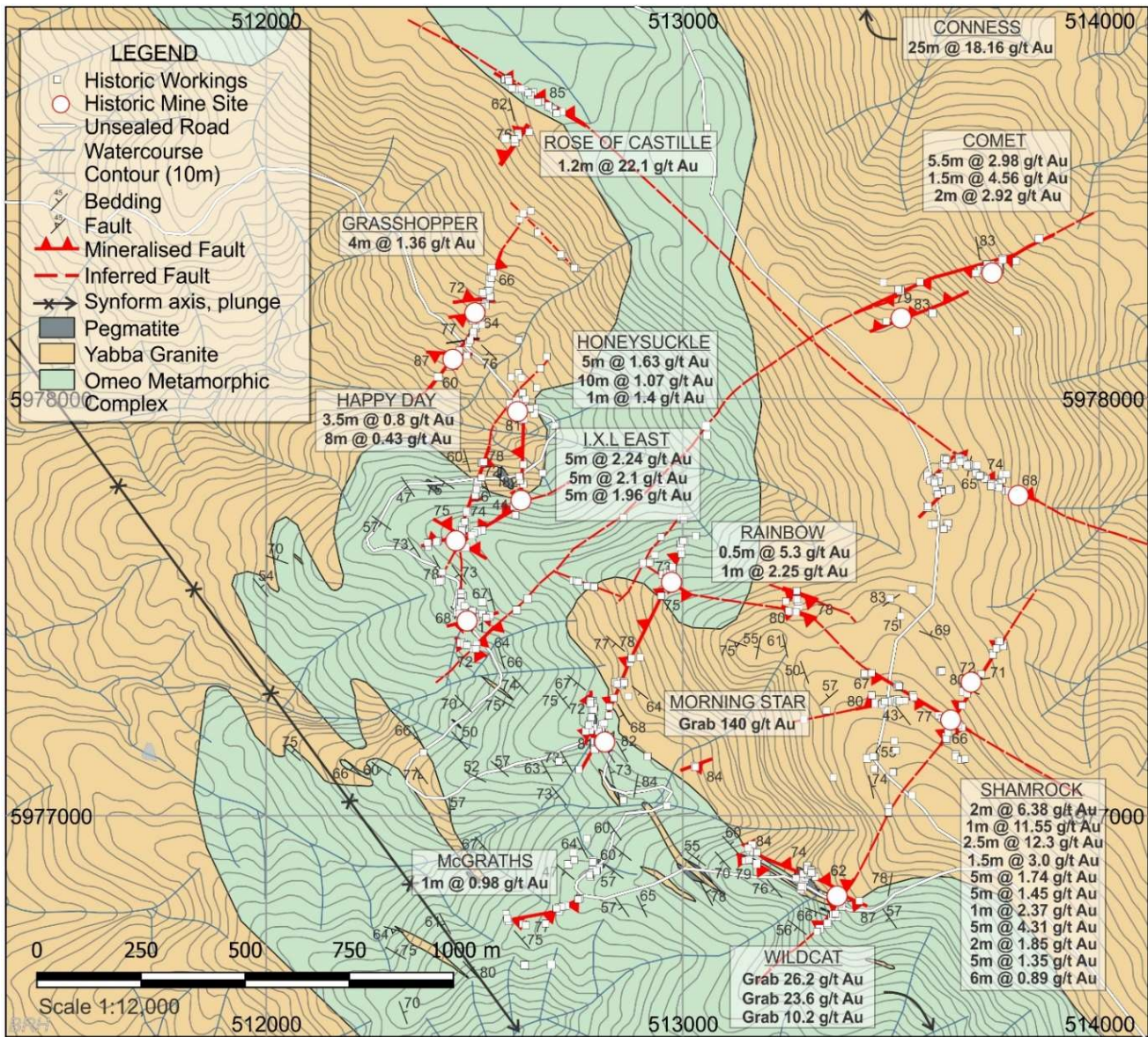


Figure 2: Detailed geological and structural map of the northern Sandy Creek goldfield showing selected peak gold grades from altered granite sampled either in, or around historic workings. A complete compilation of grades from all samples is included in Appendix 3. The Conness (513050E, 5979650N) and Wildcat (513935E, 5975650N) workings are just outside the boundaries of this map.

A workplan was approved for ~1,000m of percussion drilling across five targets at Sandy Creek, to be commenced in the September quarter this year after the first phase drill program at the company's Buckland Gold project is complete. This will consist of first pass RAB or RC drilling of the primary targets identified. A preliminary phase of drilling is planned to test the potential size distribution of altered granite bodies across O'Dell's, Shamrock, I.X.L East, Morning Star and Honeysuckle prospects. These targets have been identified given their grade, proximity to existing roads and comparatively shallow depth to prospective ore bodies.

Dart is continuing surface exploration at Tallandoon, with a focus on structural mapping and chip sampling.

## LITHIUM EXPLORATION UPDATE

No update this quarter.

## COVID-19 IMPACT

COVID-19 restrictions have impacted Dart's activities in the field to some extent however we have still managed to continue with important exploration work during the quarter. Dart is a registered COVID- safe company and have adopted suggested workplace protocols as suggested by Government and the Minerals Council of Australia. Mining and mining-related services such as minerals exploration have been deemed critical services throughout the COVID pandemic and we anticipate little in the way of workplace restrictions over the coming months that will impact our planned commencement of phase 1 drilling on the Buckland Gold, Sandy Creek Gold, Granite Flat-Empress Au-Cu, Rushworth Gold and Mt View Gold projects. All these are scheduled for commencement before the end of 2020.

## CORPORATE

### ***Placement***

In June, Dart announced it had received firm commitments from professional and sophisticated investors for a placement to raise \$918,000 (Placement) through the issue of 10,800,000 fully paid ordinary shares at \$0.085 per share, representing an 18% discount to the five-day VWAP.

The Placement was undertaken under the Company's existing capacity, with 6,315,911 shares issued under rule 7.1A and the balance issued under rule 7.1.

Veritas Securities Limited acted as Lead Manager to the Placement.

Dart is using proceeds from the Placement to fund exploration programmes on its gold projects located in northeast Victoria, particularly drilling for silica-sulphide and disseminated sulphide zones over the Fairley's Prospect at the Buckland Gold Project, multiple targets at the Sandy Creek Gold Project and for general working capital.

The Company welcomed new investors and thanked existing shareholders who participated in the Placement.

### ***Head of Exploration appointed***

In late April, Dart announced the appointment of experienced Exploration and Mining Industry Geologist Mr Steven Groves as another step in adding to Dart's technical capacity, as it accelerates progress at its highly prospective gold exploration projects in NE Victoria.

Mr Groves brings 25 years of geological experience in the mining industry including exploration and management roles with BHP Billiton, Newmont Mining, Newcrest Mining, ACap Resources, Sultan Resources and Six Sigma Metals. He holds a Bachelor of Applied Geology (Honours) and completed a Master's of Economic Geology from CODES-SRC at the University of Tasmania.

### ***General Meeting***

At an extraordinary general meeting of shareholders held on 4 June 2020, the following resolutions passed:

1. Ratification of Prior Share Issue
2. Ratification of Prior Share Issue
3. Ratification of Prior Share Issue

The Company's cash position at the end of the March quarter was approximately \$890,000.

## TENEMENT STATUS

Tenement Number	Name	Tenement Type	Area (km2) Unless specified	Interest	Location
EL5315	Mitta Mitta <sup>4</sup>	Exploration	172	100%	NE Victoria
EL006016	Rushworth	Exploration	60	100%	Central Victoria
EL006277	Empress	Exploration	165	100%	NE Victoria
EL006300	Eskdale <sup>3</sup>	Exploration	183	100%	NE Victoria
EL006486	Mt Creek	Exploration	190	100%	NE Victoria
EL006764	Cravensville	EL (Application)	170	100%	NE Victoria
EL006861	Buckland	EL (Application)	414	100%	NE Victoria
EL006865	Dart	EL (Application)	567	100%	NE Victoria
EL006866	Cudgewa	EL (Application)	508	100%	NE Victoria
EL006994	Wangara	EL (Application)	190	100%	Central Victoria
EL007007	Union	EL (Application)	3	100%	Central Victoria
EL007008	Buckland West	EL (Application)	344	100%	NE Victoria
EL007099	Sandy Creek	EL (Application)	437	100%	NE Victoria
EL007170	Berringama	EL (Application)	27	100%	NE Victoria
RL006615	Fairley's <sup>2</sup>	Retention License Application	340 Ha	100%	NE Victoria
RL006616	Unicorn <sup>1&amp;2</sup>	Retention License Application	23,243 Ha	100%	NE Victoria
MIN006619	Mt View <sup>2</sup>	Mining License	224 Ha	100%	NE Victoria

**All tenements remain in good standing at 30 June 2020.**

**NOTE 1:** Unicorn Project area subject to a 2% NSR Royalty Agreement with Osisko Gold Royalties Ltd dated 29 April 2013.

**NOTE 2:** Areas subject to a 1.5% Founders NSR Royalty Agreement.

**NOTE 3:** Areas subject to a 1.0% NSR Royalty Agreement with Minvest Corporation Pty Ltd (See DTMASX Release 1 June 2016).

**NOTE 4:** Areas subject to a 0.75% Net Smelter Royalty on gold production, payable to Bruce William McLennan.

**For more information, please contact:**

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### About Dart Mining

Dart Mining (ASX: DTM) floated on the ASX in May of 2007 with the aim of evaluating and developing several historic Goldfields as well as substantiating a new porphyry province in NE Victoria. The area is prospective for precious, base, and minor metals. These include Lithium, Gold, Silver, Copper, Molybdenum, Zinc, Tungsten, Tin, Tantalum, and a host of other important minerals. Dart Mining has built a strategic gold footprint in the Central and North East Region of Victoria where historical surface mining and alluvial gold indicates the existence of potentially significant gold endowment.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

DART MINING NL

ABN

84 119 904 880

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	10	16
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(19)	(73)
(e) administration and corporate costs	(128)	(348)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	6	6
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(132)</b>	<b>(400)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(1)	(131)
(d) exploration & evaluation (if capitalised)	(117)	(902)
(e) investments	-	(15)
(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	2	2
(d) investments		
(e) other non-current assets	-	14
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(116)</b>	<b>(1,032)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,018	2,068
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(52)	(78)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>966</b>	<b>1,990</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	172	332
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(132)	(400)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(116)	(1,032)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	966	1,990

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>890</b>	<b>890</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	890	172
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>890</b>	<b>172</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

28

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	-	-

7.5 <b>Unused financing facilities available at quarter end</b>	
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(100)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(250)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(350)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	890
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	890
<b>8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>2.54</b>

8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	

## **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2020

Authorised by: By the Board

## **Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.