

ASX Release

Report for the Quarter Ended 30 September 2019

31 OCTOBER 2019

Dart Mining (ASX: DTM) (“Dart” or “the Company”) is pleased to present its Quarterly Report for the period ended 30 September 2019, and to provide the following commentary and update to shareholders.

HIGHLIGHTS

- Further positive results from recent mapping and sampling activities were reported at the Company’s wholly owned Buckland Gold Project in the Buckland Valley, North East Victoria
- The 8.5km long Fairleys Shear Zone was identified as being the likely dominant bedrock source of the extensive alluvial gold deposits mined historically in the Buckland River, and is interpreted to consist of multiple, parallel mineralized shears stacked over a width of ~400m
- Successful exploration elevated the Buckland Gold Project to first priority amongst Dart Mining’s extensive portfolio of gold projects in eastern and central Victoria

Commenting on the quarter, Managing Director James Chirnside said:

“Following recent exploration, the Buckland Project has now been elevated to our highest priority project. We will be undertaking further, more detailed and targeted geochemical soil sampling to more closely define the multiple stacked mineralised shears before drill testing is undertaken that we intend to commence in December.

“We see notable similarities between our mineralized structures and the Fosterville Fault that is associated with the Fosterville Gold Deposit of Kirkland Lake Gold near Bendigo. We are keen to accelerate our exploration program with the firm belief that the regionally extensive mineralized fault structures identified have excellent potential to host a large-scale gold deposit.”

OPERATIONAL AND CORPORATE REVIEW

GOLD EXPLORATION UPDATE

BUCKLAND GOLD PROJECT

During the quarter, the Company reported that exploration at its Buckland Gold Project in the Buckland Valley, North East Victoria, had identified regionally extensive mineralized shears with high potential to form a large-scale gold mineralization system. The Buckland Gold Project has been identified as the highest priority exploration target and has been almost the sole focus of field teams during the Quarter.

Regional gold-arsenic soil sampling indicated that the gold-mineralised Fairleys Shear Zone and associated shears extended for more than 8.5km. The Company previously completed two diamond drill holes at the Fairleys Prospect, a very small segment of the Fairleys Shear Zone – which both returned wide intersections of **21m @ 1.14g/t Au** and **40.4m @ 0.84g/t Au**.



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: 1,070,376,136

Unlisted options: 25,000,000

Substantial Shareholders:

Top 20 Holdings: 54.39%

Board & Management:

Managing Director: James Chirnside

Non-Executive Director: Denis Clarke

Non-Executive Director: Luke Robinson

Company Secretary: Julie Edwards

Dart Mining NL

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The Buckland River historically produced considerable alluvial gold, but previous explorers and prospectors with limited exploration technology failed to find a substantial bedrock source for the alluvial gold. The Fairleys Shear Zone cuts across the catchment of the Buckland River and Dart Mining considers it has now discovered the elusive bedrock source.

Further positive results from mapping and sampling activities provided evidence for recurring zones of gold mineralisation along the Fairleys Shear Zone. The zone is interpreted as consisting of multiple, parallel mineralized shears stacked over a width of about 400m, with the potential for development of large-scale gold mineralization considered to be high.

Mapping and Sampling

Ongoing regional geochemical soil sampling located multiple gold-arsenic anomalies that are interpreted as indicating gold mineralization is associated with the regional-scale Fairleys Shear Zone (Figure 1).

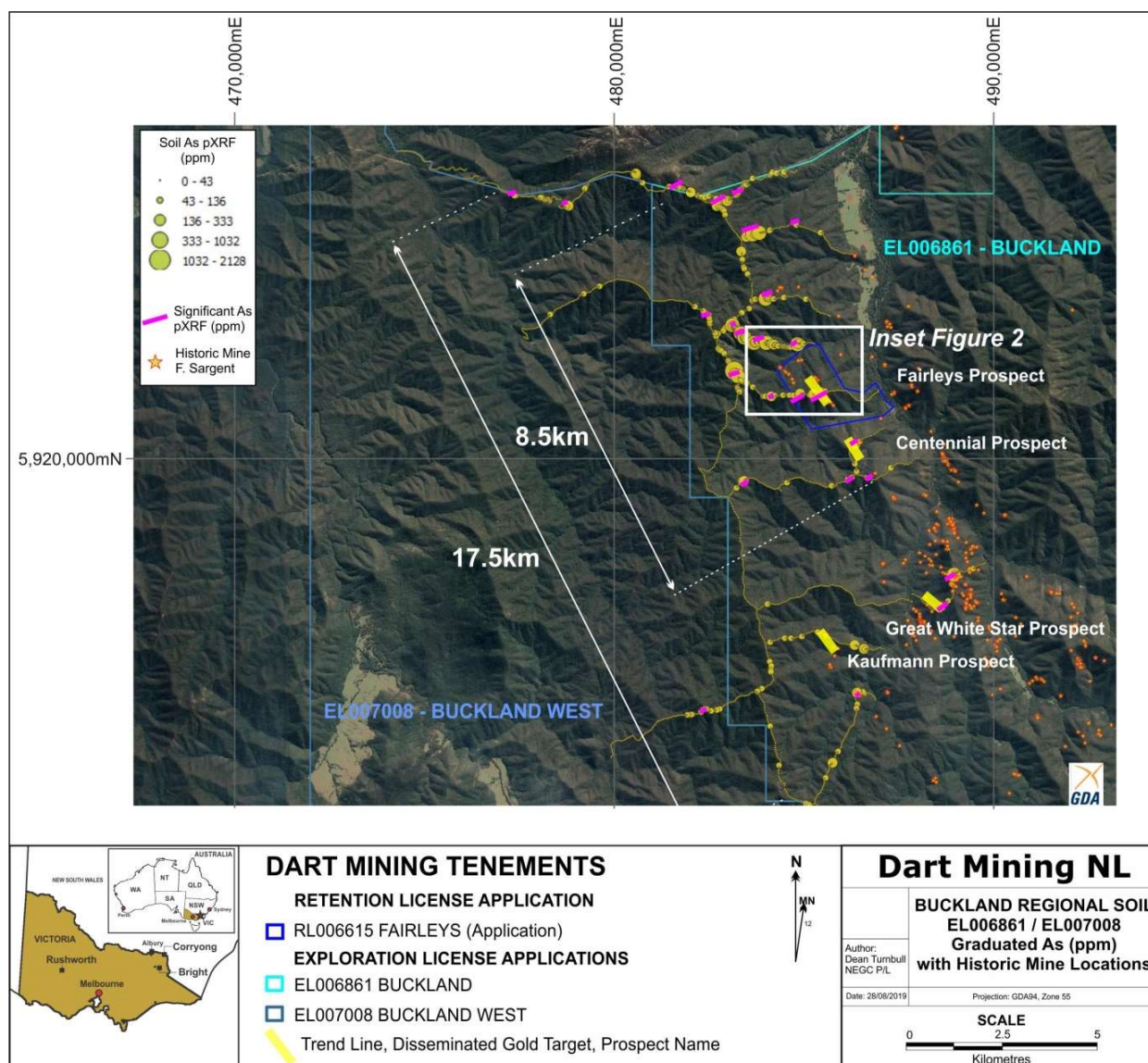


Figure 1. Buckland goldfield with graduated regional soil arsenic (As) level (ppm) with significant anomalies highlighted (magenta). Historic mine location data (red dots) from F. Sargent Historical Mining Activity layer (GeoVic: <https://earthresources.vic.gov.au/geology-exploration/maps-reports-data/geovic>) for reference.

Only limited field checking has been undertaken on the anomalies, however, recent field checking of an anomaly located about 1.5 to 2.0km north-north-west of the Fairleys Prospect returned encouraging results. Recent mapping located several historic prospects/small mines along two shears extending over approximately 1.5km along the Fairleys Shear Zone from the Fairleys Prospect (Figure 2).

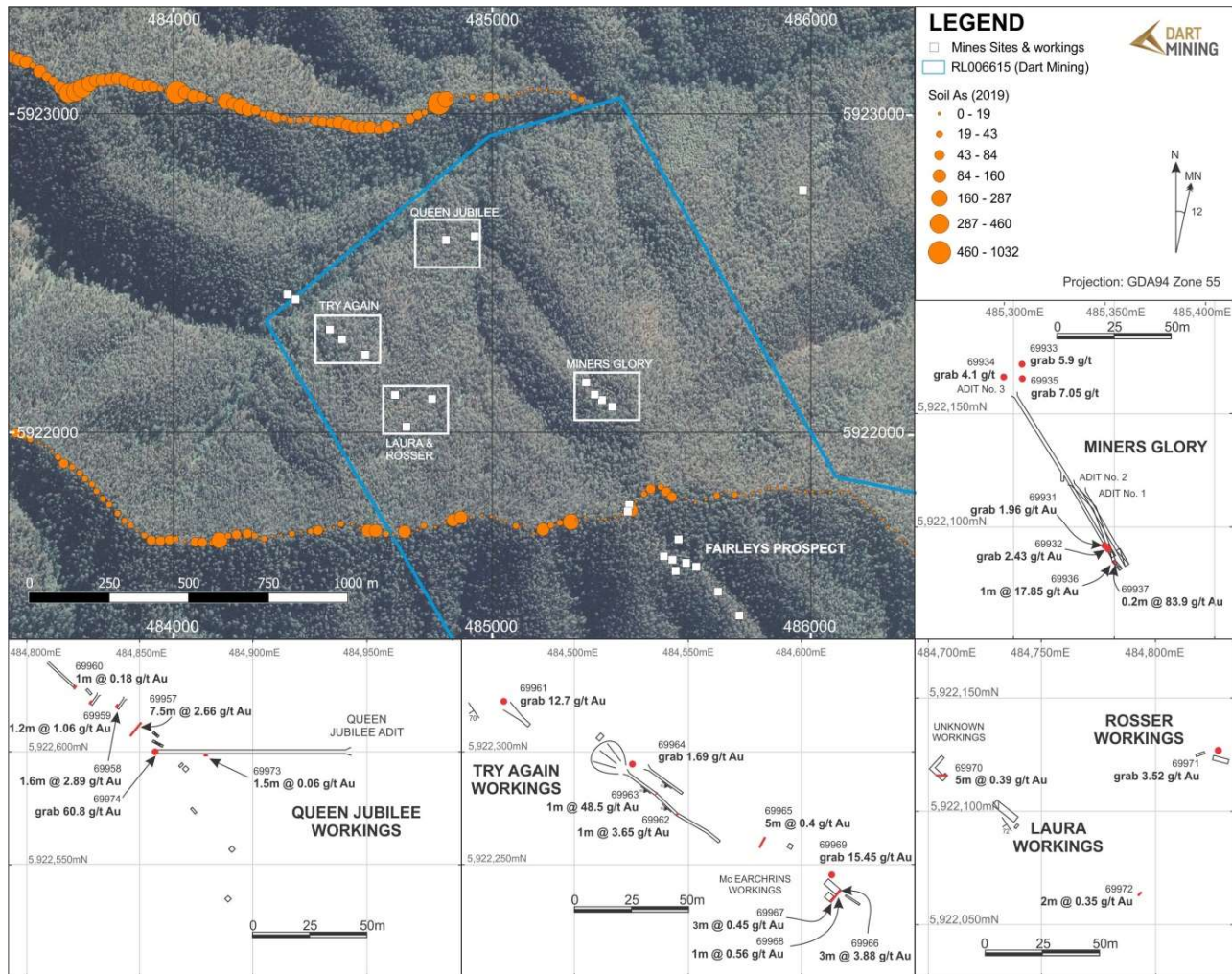


Figure 2. Map showing the Fairleys Prospect relative to the historic Miners Glory, Queens Jubilee, Rosser, McEarchrins and Try Again mines with preliminary mapping and sampling results.

Sampling indicated that high-grade gold mineralization occurs within quartz / silica / sulphide zones (Type A mineralization) that have been the sole focus of historic mining. Broader enveloping zones of lower grade gold mineralization associated with disseminated sulphides in sheared sediments (Type B mineralization) have been left unmined. Sampling of remnant mineralisation from the end of stopes in several prospects returned high grade gold assays (Figure 2).

- **1m @ 48.5 g/t Au (Chip Sample, Try Again Prospect, Type A)**
- **1m @ 17.85 g/t Au (Chip Sample, Miners Glory Prospect, Type A)**
- **0.2m @ 83.9g/t Au (Chip Sample, Miners Glory Prospect, Type A)**
- **60.8 g/t Au (Grab sample of fall material, Queens Jubilee Prospect, Type A)**

Significantly, samples of sheared sediments with disseminated sulphides that envelop the Type A mineralisation returned significant gold assays (Figure 2). Access for sampling across the full width of the shears is limited within historic workings, as the adits were driven only along the high-grade core of the mineralized shears. However, shallow pits and outcrops allow samples to be collected across strike at several locations (Figure 2). At the Queens Jubilee Prospect an outcrop of sheared sediments with oxidized disseminated sulphide and contorted thin quartz veins was sampled as a near continuous chip sample. Significantly, this Type B mineralisation assayed 7.5m @ 2.66 g/t Au. A second chip sample from the east wall of the outcropping shear shows 1.6m @ 2.89 g/t Au (Figure 2).

A small pit on a shear on the Try Again line near the McEarchrins workings provided access for sampling with the eastern side of the pit showing 3m @ 3.88 g/t Au from sheared sandstone with oxidized disseminated sulphide. Outcrop of the mineralised shear is limited along strike, with isolated outcrop showing 5m @ 0.4 g/t Au some 30m north northwest of McEarchrins workings (Figure 2). The Try Again adit, which is along strike, returned a chip sample of 1m @ 48.5 g/t Au.

The Company is encouraged by both the high grade of the silicified cores of the shears and the substantial width of the enveloping lower grade sulphide-associated mineralisation.

Regional Soil Geochemical Program

The regional soil program is ongoing with a total of 3050 samples collected from traverses across the interpreted strike of the Fairleys Shear Zone. The traverses have covered approximately 17.5km of strike extent along the western side of the historic goldfield. Graduated soil arsenic (As) and zones of anomalous soil arsenic are presented as magenta lines in Figure 1. Multiple anomalies require ground follow-up.

Planned Exploration

Considerable drilling will be required to fully evaluate the potential of the large Fairleys Shear Zone and subsidiary shear zones. The Company first plans to complete further, more detailed soil surveys to more closely define the multiple, stacked mineralised shears before drill testing is undertaken. A work plan is currently being prepared to permit drill testing of the first in a series of soil arsenic / gold anomalies identified along the shear zone. Planned percussion drilling will target strong soil anomalies to the north west and west of the Fairleys Prospect. The drilling is designed to evaluate both Type A (quartz/silica/sulphide) and Type B (sheared sediment with disseminated sulphide) mineralisation styles below the recently identified soil anomalies.

SANDY CREEK GOLDFIELD

Work during the Quarter has focused on the Buckland Gold Project, with work plan preparation for drill testing at Sandy Creek rescheduled to allow the Buckland program to commence. Dart Mining recognizes the potential of the Sandy Creek Goldfield and remains committed to a drill program to test for disseminated gold, hosted in both metasediment and the Lockhart Granite. Drilling will be scheduled for permitting following the phase 1 Buckland Gold Project drill program.

LITHIUM EXPLORATION UPDATE

DORCHAP DYKE SWARM

A further phase of helicopter survey (Phase 8) remains on hold with the focus of the exploration team on the Buckland Gold Project. As the opportunity to assign a team to the Dorchap Project becomes available, the Phase 8 survey will be completed and follow up exploration scheduled.

CORPORATE

Capital Raising

A private placement was completed to raise \$318,000, with 53,000,000 fully paid ordinary shares issued at an issue price of \$0.006 per share.

The placement was issued under existing capacity with 2,000,000 shares issued under rule 7.1A and 51,000,000 shares issued under rule 7.1.

A broker was not engaged for this placement. Funds will be used for working capital and to progress further exploration at the Buckland Gold Project.

Cash

The Company's cash position at the end of the September quarter was \$97,000 with \$85,000 of the private placement funds being received after the end of the quarter.

TENEMENT STATUS

Tenement Number	Name	Tenement Type	Area (km2) Unless specified	Interest	Location
EL5194	Mt. Alfred	Exploration	27	100%	NE Victoria
EL5315	Mitta Mitta ⁴	Exploration	172	100%	NE Victoria
EL006016	Rushworth	Exploration	60	100%	Central Victoria
EL006277	Empress	Exploration	221	100%	NE Victoria
EL006300	Eskdale ³	Exploration	245	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
RL006615	Fairley's ²	Retention License Application	340 Ha	100%	NE Victoria
RL006616	Unicorn ^{1&2}	Retention License Application	23,243 Ha	100%	NE Victoria
MIN006619	Mt View ²	Mining License Application	224 Ha	100%	NE Victoria

All tenements remain in good standing at 30 September 2019.

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 DTM ASX Release 1 June 2016).

NOTE 4: Areas are 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 and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

DART MINING NL

ABN

84 119 904 880

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
144 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(290)	(290)
(b) development	-	-
(c) production	-	-
(d) staff costs	(12)	(12)
(e) administration and corporate costs	(83)	(83)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(385)	(385)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(80)	(80)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(80)	(80)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	233	233
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(3)	(3)
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)	-	-
3.10 Net cash from / (used in) financing activities	230	230

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	332	332
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(385)	(385)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(80)	(80)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	230	230
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	97	97

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	97	262
5.2 Call deposits	-	60
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	97	322

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

60

-

Directors Fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	100
9.2 Development	-
9.3 Production	-
9.4 Staff costs	12
9.5 Administration and corporate costs	83
9.6 Other (land assets)	-
9.7 Total estimated cash outflows	195

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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.

Sign here:


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Company secretary

Date: 31 October 2019

Print name: Julie Edwards

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.