



**Financial Report
For The Half Year Ended
31 December 2016**

DART MINING NL
FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2016

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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 2016 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.

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DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Dart Mining NL ('Dart') and the entities it controlled at the end of or during the half-year ended 31 December 2016.

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 2016 is \$335,093 (2015: \$472,131).

Review of Operations

A detailed review of operations is contained in the quarterly reports of September 2016 and December 2016 issued to the Australian Stock Exchange Limited.

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

Overview

The first half of the financial year to December 2016 was spent, amongst other things, assessing and planning for an anticipated grant of Dart's new exploration leases (EL6277, EL6300) at Glen Wills and Eskdale in NE Victoria.

Shareholders would be familiar with Dart's announced Lithium assay results from 9 August 2016 showing promising grades from limited rock-chip sampling of pegmatite dykes within these lease areas.

Also during the first half additional sampling, metallurgical testing, and logistical planning was completed on Dart's gold projects at Fairleys Creek, Mountain View, and Onslow Reefs. Results were encouraging and helped the board better understand capex requirements, potential profitability, as well as risks.

The board noted that Dart's gold strategy is legitimate and compelling and will in time require significant capital expenditure to execute properly. The quantum of funds required are not presently available, and therefore, the board has concluded that for the time being, and considering developments in our Lithium strategy, the company's resources are better deployed away from gold and towards lithium.

The way the Lithium market is structured, as well as strong upward price moves for the commodity means that "first mover" advantages for Lithium miners are compelling and time to market is critical.

Dart is now focussed and working almost exclusively on its lithium exploration program particularly around EL5315 at Mitta Mitta.

Shareholders may recall that EL5315 was a joint venture tenement with Northern Mine Ventures (NMV) under an agreement announced on 13 November, 2015.

Tenements including EL5315 were acquired 100% by Dart through negotiations that took place during the first half to December 2016 and into January 2017 (see note 9, Subsequent Events). Final terms of the NMV tenements acquisition were announced on 6 February 2017. The NMV tenements package also included a highly prospective gold project at Rushworth in Northern Victoria.

Dart Mining NL

Dart is confident that over the next year we will deliver a great deal more exploration news and results on Lithium. Dart's board believes that despite some commentator views to the contrary – the Lithium story is long-term and substantial. The prospects for the company will be significantly enhanced should it turn out that our Lithium prospects meet our admittedly early expectations.

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
15 March 2017

**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 2016 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

MSI RAGG WEIR
Chartered Accountants

I.L. Jenkins

I.L. JENKINS
Partner

Melbourne: 15 March 2017

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Note	Consolidated	
		Dec 16	Dec 15
		\$	\$
Interest revenue	3	1,476	9,013
Other income	3	13,097	-
Total revenue	3	<u>14,573</u>	<u>9,013</u>
Total expenses	3	<u>(349,666)</u>	<u>(481,144)</u>
Profit (loss) before income tax		<u>(335,093)</u>	<u>(472,131)</u>
Income tax (expense)/benefit		-	-
Profit (loss) for the period		<u>(335,093)</u>	<u>(472,131)</u>
Basic and diluted (loss) per share (cents per share)		(0.10)	(0.19)

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 2016**

	Note	Consolidated	
		December 2016	June 2016
Current Assets			
Cash and cash equivalents		310,438	436,598
Trade and other receivables		15,419	19,847
Other assets		-	-
Total Current Assets		325,857	456,445
Non-Current Assets			
Other non-current assets		228,066	182,585
Property, plant and equipment		78,320	88,017
Deferred exploration and evaluation costs	4	8,117,308	7,930,972
Total Non-Current Assets		8,423,694	8,201,574
TOTAL ASSETS		8,749,551	8,658,019
Current Liabilities			
Trade and other payables		97,682	242,700
Provisions		83,786	67,933
Total Current Liabilities		181,468	310,633
Non-Current Liabilities			
Provisions		-	-
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		181,468	310,633
NET ASSETS		8,568,083	8,347,386
Equity			
Issued capital	5	19,481,789	18,925,999
Reserves		20,760	193,060
Accumulated losses		(10,934,466)	(10,771,673)
TOTAL EQUITY		8,568,083	8,347,386

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 2016**

	Ordinary Share Capital	Share-Based Payment Reserves	Accumulated losses	Total
	\$	\$	\$	\$
Consolidated Group				
Balance at 1 July 2015	18,379,349	386,158	(10,247,437)	8,518,070
Comprehensive income				
Loss for the period	-	-	(472,131)	(472,131)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	(472,131)	(472,131)
Transactions with owners, in their capacity as owners, and other transfers				
Issued of fully paid shares	200,000	-	-	200,000
Capital raising costs during the period	(24,840)	-	-	(24,840)
Total transactions with owners and other transfers	175,160	-	-	175,160
Balance at 31 December 2015	18,554,509	386,158	(10,719,568)	8,221,099
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 year	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	(335,093)	(335,093)
Transactions with owners, in their capacity as owners, and other transfers				
Lapsed options transferred	-	(172,300)	172,300	-
Issue 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	555,790
Balance at 31 December 2016	19,481,789	20,760	(10,934,466)	8,568,083

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 2016**

	Consolidated	
	December 2016 \$	December 2015 \$
Cash Flows from operating activities		
Interest received	1,313	13,288
Research and development grant	13,097	-
Payments to suppliers and employees	(516,655)	(424,060)
Net cash inflow/ (outflow) from operating activities	(502,245)	(410,772)
Cash flows from investing activities		
Payment for exploration expenditure	(157,307)	(355,138)
Payment for Investments	(2,913)	(94,288)
Purchase of property, plant and equipment	(9,485)	(2,964)
Payment of security bonds	(10,000)	(10,000)
Net cash inflow/ (outflow) from investing activities	(179,705)	(462,390)
Cash flows from financing activities		
Proceeds from issue of shares	599,664	138,000
Share issue costs	(43,874)	(24,840)
Net cash inflow/ (outflow) from financing activities	555,790	113,160
Net cash inflow/ (outflow) for the reporting period	(126,160)	(760,002)
Cash and cash equivalents at the beginning of the period	436,598	1,167,087
Cash and cash equivalents at the end of the period	310,438	407,085

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 2016

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 2016 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 16 March 2017.

The nature of the operations and principal activities of the Group are described in Note 7.

2. Basis of 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 2016, unless otherwise stated.

b) Critical Accounting Estimates and Judgements

The critical estimates and judgements are consistent with those applied and disclosed in the June 2016 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 2016 (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 2016, the Group had a surplus of current assets over current liabilities of \$144,389 (30 June 2016: \$145,812) with cash reserves of \$310,438 (30 June 2016: \$436,598).

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 2016 \$	December 2015 \$
Revenue			
Interest received		1,476	9,013
Research grant received		13,097	-
Other		-	-
		<hr/>	<hr/>
TOTAL REVENUE		14,573	9,013
Expenses			
Exploration expenditure written off		-	5,491
Administration expenses		73,254	54,922
Consultancy fees		20,210	71,703
Depreciation		8,738	9,517
Employee costs		87,027	178,007
Insurance		18,641	16,393
Office expenses		25,275	11,584
Professional fees		96,987	119,043
Provisions		5,675	6,170
Travel		10,321	7,045
Other expenses from ordinary activities		3,538	1,269
		<hr/>	<hr/>
TOTAL EXPENSES		349,666	481,144

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 (continued)

4. EXPLORATION AND EVALUATION ASSETS

	Consolidated Group	
	December 2016	June 2016
	\$	\$
Balance at the beginning of the period	7,930,972	7,393,445
Costs for the period	186,336	615,016
Exploration costs written off	-	(77,489)
Balance at the end of the period	8,117,308	7,930,972

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 2016	June 2016
	\$	\$
Issued Capital	19,481,789	18,925,999
	No.	\$
Movements in ordinary shares on issue		
At 1 July 2015	243,257,982	18,379,349
Share issue net of capital raising costs	56,765,732	546,650
At 30 June 2016	300,023,714	18,925,999
Share issue net of capital raising costs	46,128,000	555,790
At 31 December 2016	346,151,714	19,481,789

On the 29th September 2016, 42,281,846 shares were issued. On 10th October 2016, 3,846,154 shares were issued. Both issues were to sophisticated investors at 1.3 cents per share.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 (continued)

6. COMMITMENTS AND CONTINGENCIES

In addition to the commitments disclosed in the June 2016 Financial Report, the Group notes the changes to the following expenditure commitments during the six months ended 31 December 2016.

	December 2016	June 2016
Operating lease	-	19,900
Licence agreement	5,720	54,642
Minimum exploration commitments	784,360	1,088,075

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

As noted in the June 2016 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 \$2,033,733. The issue is still in the process of being resolved.

The Company is still presently in legal dispute with a former employee involving an unfair dismissal claim totalling circa \$60,000. The Company remains confident of a favourable outcome in this dispute.

No contingent assets existed at the reporting date.

7. 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.

8. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 (continued)

9. EVENTS AFTER THE END OF THE INTERIM PERIOD

Dart entered negotiations with its partner Northern Mine Ventures in October 2016 to acquire the 50% interest that it did not already own in several EL's and ML's. Negotiations concluded and an ASX announcement appeared on 6th February 2017 detailing the terms of the agreement reached between the two parties.

On 1st March 2017, Dart raised (by way of private placement to sophisticated investors) \$300,000 for the issuance of 33,333,333 shares at 0.9 cents. Proceeds from this capital raise are being used to further its Lithium exploration program and meet corporate overheads.

The Directors are not aware of any other 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 14 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 2016 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 Chirnside
Chairman / Managing Director



Luke Robinson
Non-Executive Director



Russell Simpson
Non-Executive Director

Melbourne
15 March 2017

**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, which comprises the consolidated statement of financial position as at 31 December 2016, the condensed 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.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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 company's financial position as at 31 December 2016 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 Dart Mining NL, 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.

Conclusion

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 Dart Mining NL is not in accordance with the Corporations Act 2001 including:

- i. giving a true and fair view of the company's financial position as at 31 December 2016 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.


MSI RAGG WEIR
Chartered Accountants


I.L. JENKINS
Partner

Melbourne: 15 March 2017