



ASX Announcement

16 November 2017

Extensive Pegmatite Features Discovered by Remote Sensing Interpretation Across Argentinean Lithium Tenement Package

Dark Horse Resources Limited (ASX:DHR; "DHR", "Dark Horse" or "the Company") is pleased to provide a further update to the market on the status of the Company's ongoing exploration programs over its Argentinean lithium projects. Dark Horse has access to this Argentinean lithium portfolio through its progressive acquisition of Pampa Litio SA, of which it currently owns 25%. Pampa Litio holds four separate exploration licences in the San Luis province totalling 34,000ha (separately detailed below), and holds an option to acquire the Las Tapias Mine in the Cordoba province, as outlined in the Company's detailed ASX release of 15 August 2016.

Dark Horse has completed a comprehensive remote sensing interpretation study on its portfolio of exploration licences in San Luis province, Argentina. The results show that there are significant areas of pegmatite features within the exploration licences as described in detail below, and as outlined in **Figures 3-6**.

Dark Horse recently reported the preliminary results from detailed geological mapping at the Las Tapias Mine (ASX release 8 November 2017). Assay results from this work will be reported within the next month. Detailed geological mapping is currently underway at the 4.5km El Totoral-San Luis Mine. Regional exploration is concurrently being carried out over the four large exploration licences in the San Luis province - Leon Herido, San Martin, Novillo Negro and El Totoral, totalling 34,000ha in area (**Figures 1 and 2**).

Dark Horse's overriding objective is to discover and define a large lithium rich pegmatite resource, develop mines to produce lithium ore, and ultimately a production facility in Argentina manufacturing battery grade lithium hydroxide. The Company intends to form a strategic alliance with a large international group to advance and add value to this business.

A comprehensive, systematic exploration program is being implemented to facilitate the JORC-compliant estimation of lithium mineral resources within the next year from the Company's exploration licences through:

1. detailed programs at both known Las Tapias Mine and El Totoral-San Luis Mine mineralised pegmatite; and
2. a regional program over the four (4) San Luis leases.



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Figure 1 – Location of Dark Horse’s mineral projects in Argentina.

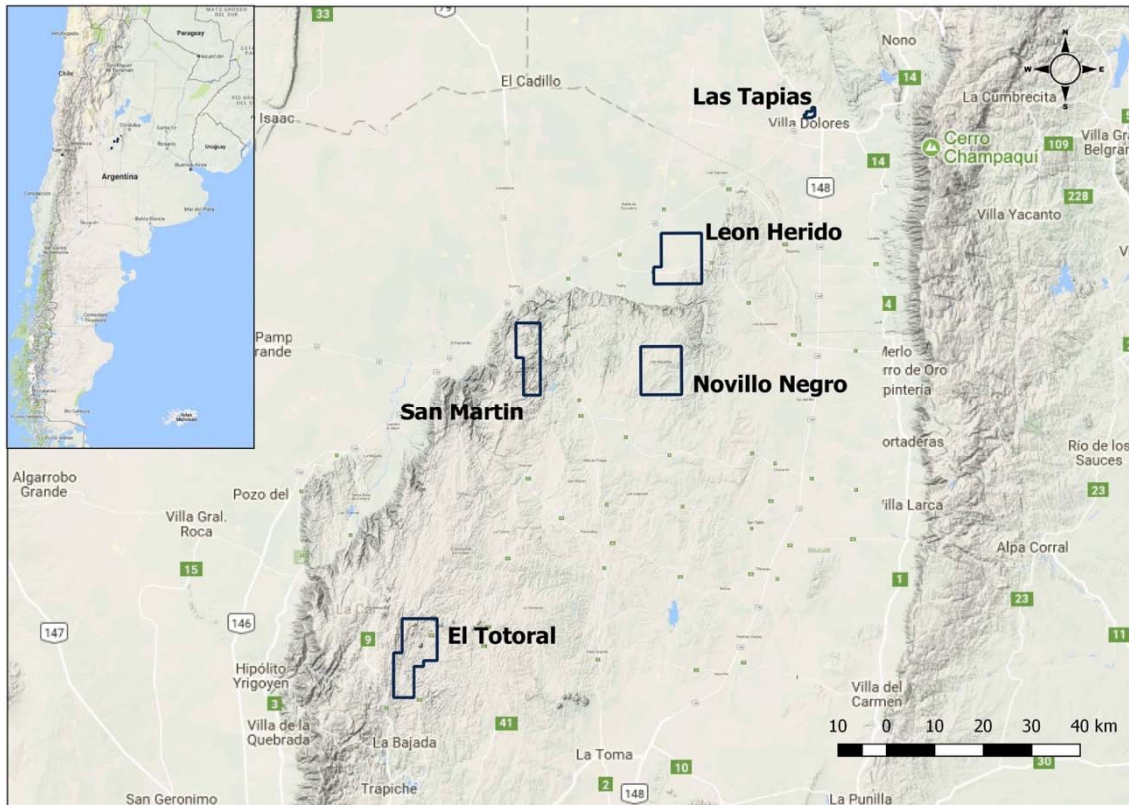


Figure 2 – The Pampa Litio suite of leases in San Luis province and Las Tapias Mine in Cordoba province.

Remote Sensing Interpretation

A comprehensive interpretation of satellite imagery has been made over the Leon Herido, Novillo Negro, San Martin and El Totoral exploration licences in San Luis province (**Figure 2**). The objective was to delineate any light-coloured bodies that might be reflective of quartz feldspar dykes/intrusives or pegmatite-like masses that may be host to lithium mineralization. The work plan provides for the delineated areas to be rapidly assessed in the field to determine if any lithium minerals are present, and if so, to plan and implement exploration programs to define the extent and grade of the mineralisation.

El Totoral

Remote sensing work has confirmed the existence of the lithium pegmatites mapped in this area by the Company, with strike lengths of up to 4.5km recorded, and evidence of multiple phases of deformation. The San Luis historic mine exists at the northern end of this feature.

Pegmatite bodies also crop out in an oval pattern trending NE-SW in the central western portion of the licence. Mineralized pegmatites are known to occur along the north eastern margin of this licence.

Significant pale coloured pegmatite features exist along the south-western margin of the licence. However, the sheer volume of this outcrop mass suggests that these occurrences also include pale coloured granites or aplitic granites (**Figure 3**). True pegmatites are likely to occur within this zone due to the nature of their outcrop pattern. Published data shows pegmatite occurrences along the eastern margin of these granites, and they have been observed on the satellite imagery and annotated.

San Martin

The majority of pegmatite features in San Martin occur in the southern part of the licence. The general strike of these bodies is in a northerly direction with some strike changes peripheral to a small circular feature (**Figure 4**). Two separate belts extend over distances of approximately 5kms with widths of 1.5kms. Linear pegmatites can reach lengths of up to 600m and widths of 30m. At least two phases of deformation are also present with outcrops presenting as plunging anticlinal and synclinal folded bodies. Dimensions of these deformed bodies reach maximum dimensions of 400m by 150m.

Three different locations of old workings have also been observed on the property including the Las Cuevas historic mine (Dark Horse originally had an option to acquire Las Cuevas however but did not proceed because exploration by the Company showed it has been extensively mined over a long period of time and was believed to be of current low potential). The other two areas have similar spectral and textural characteristics as Las Cuevas, and are primary targets for Dark Horse's ongoing exploration program.

Linear, pale toned bodies have been identified along the western limit of a northeast plunging antiform in the north central part of the licence. These may be pale toned beds within a low grade metamorphic sequence.

Pegmatite like bodies have also been identified in the central west and central east of the licence. They appear mostly small and disjointed however, this expression may be more a reflection of the heavy vegetation in these areas obscuring outcrop, and follow up ground work is planned to clarify the extent of the pegmatite occurrences.

Novillo Negro

The majority of the pegmatites within Novillo Negro occur in four structural belts in the western portion of the licence (**Figure 5**). Thick vegetation covers a significant portion of the licence, concealing some geological features, and pegmatite bodies are likely to be far more prevalent than has been delineated through this remote sensing study.

In the most northerly belt, pegmatites are aligned almost exclusively in a north easterly direction over a strike length of 2kms and a width of 1.5kms. The largest of the pegmatites has a length of 1.2kms with an average width of 50m. Evidence of at least two phases of deformation is present with outcrop patterns suggestive of plunging folded anticlines and synclines.

The northwest margin is truncated against an oval feature 1.7kms in length and 700m in width. Extensive vegetation cover has hindered any definitive interpretation of this feature, and follow up ground work is planned to test this area in more detail.



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Further south, a second belt of pegmatites trends NW-SE for a distance of some 5kms and a maximum width of 1.5kms. The largest of the pegmatites has a length of 500m and a width of 50m. Generally, they appear to be less deformed than the pegmatites in the most northerly belt.

A third belt crops out in the centre west of the licence and is aligned in an east west direction. The belt is 2.8kms by 1.2kms with the majority of the pegmatite bodies aligned east west. Towards the eastern end of the belt, the pegmatites tend more southeast with other bodies striking north.

The fourth belt is roughly aligned in a NE direction and occurs in the centre south of the licence. Only minor pegmatites inhabit this belt, although the largest of these has the significant dimensions of 500m by 300m.

A group of mainly small pegmatites occurs in the south west of the licence area.

Leon Herido

The study delineated two areas of potential mineralization, one in the north east of the licence and one in the south west (**Figure 6**).

The pegmatite field in the north east can be split into three semi contiguous sub areas, north east of a NW-SE trending fault, which has truncated the dykes. In all three areas, the dykes trend NNE-SSW. It is interpreted that these three areas are contiguous subsurface, and that lack of exposure is due to a thin remnant basalt cover. The area north of the fault has been uplifted, leading to more rapid erosion, which has subsequently exposed the underlying pegmatite dykes, which are generally 10m or so in width and can extend up to 500m in length.

In the south west of the licence, pegmatite dyke like structures extend from the border up to 300m east along a north to south distance of approximately three kilometres. The dykes strike NNE and also SSE. They represent the most easterly outcrop of a major dyke/pegmatite field that is centred between one and two kilometres west of the south-western tenement boundary. Numerous old workings were observed throughout the licence.

Confirmation by Follow up Mapping

Dark Horse has commenced “ground truthing” this remote sensing work (follow up geological mapping on site) and initial observations at the El Totoral lease have determined that many of the predicted pegmatite features observed by this work are indeed pegmatites. Spodumene mineralisation, and other lithium bearing minerals, has been observed in some of the pegmatites. The detailed geological mapping, sampling and assaying program currently underway will prove the nature and size of the actual mineralisation.

The El Totoral licence containing the historic San Luis Mine and the 4.5km long pegmatite strike is the highest priority property, and Dark Horse has a geological team working there at present. As the other licences all contain a range of large and interesting pegmatite occurrences, the team will advance in a northerly direction and geologically map each licence systematically.



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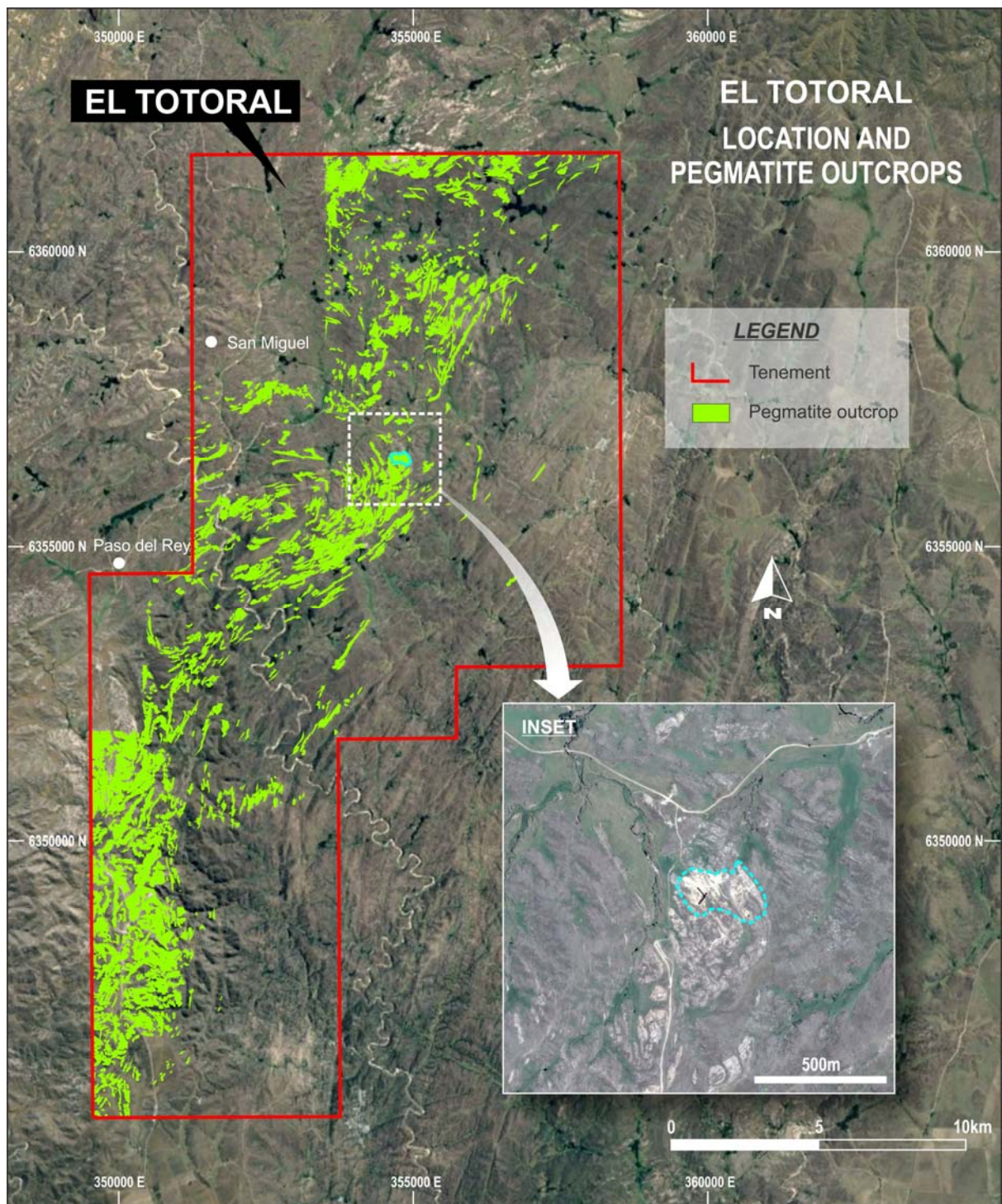


Figure 3 – The El Totoral exploration licence with pegmatites outlined in green. Inset shows a large pegmatite outcropping at surface.

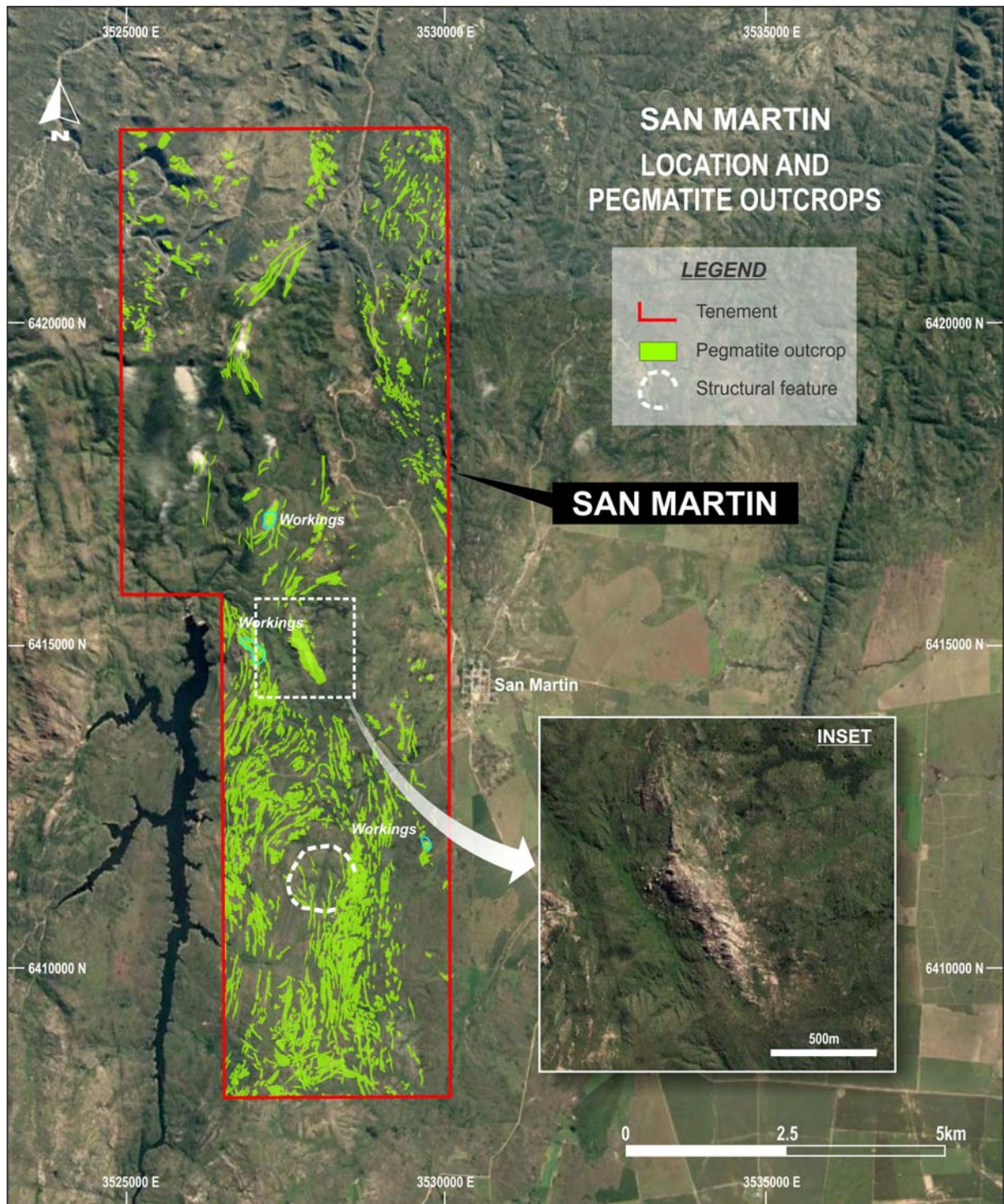


Figure 4 – The San Martin exploration licence with pegmatites outlined in green. Inset shows a large pegmatite outcropping at surface.

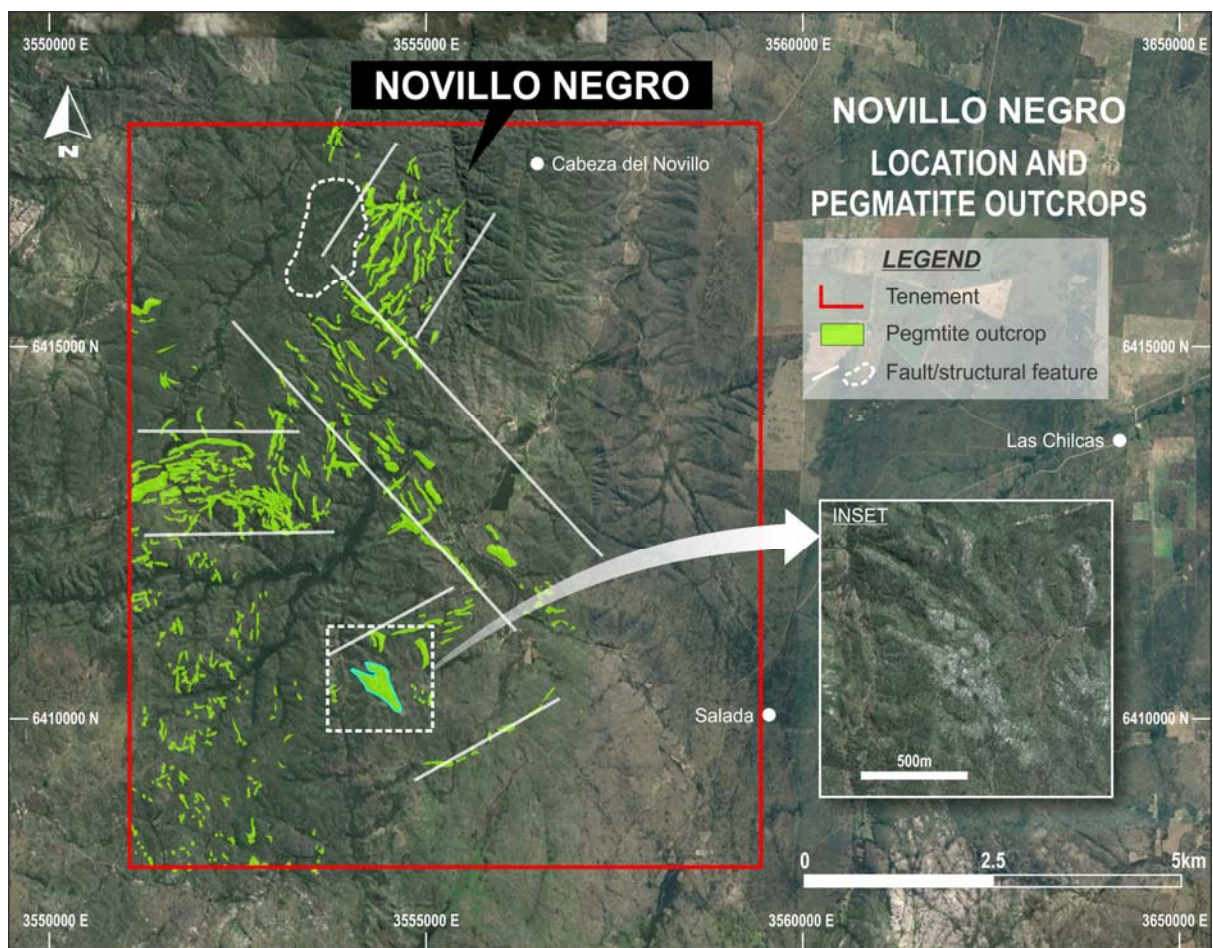


Figure 5 – The Novillo Negro exploration licence with pegmatites outlined in green. Inset shows a large pegmatite outcropping at surface.

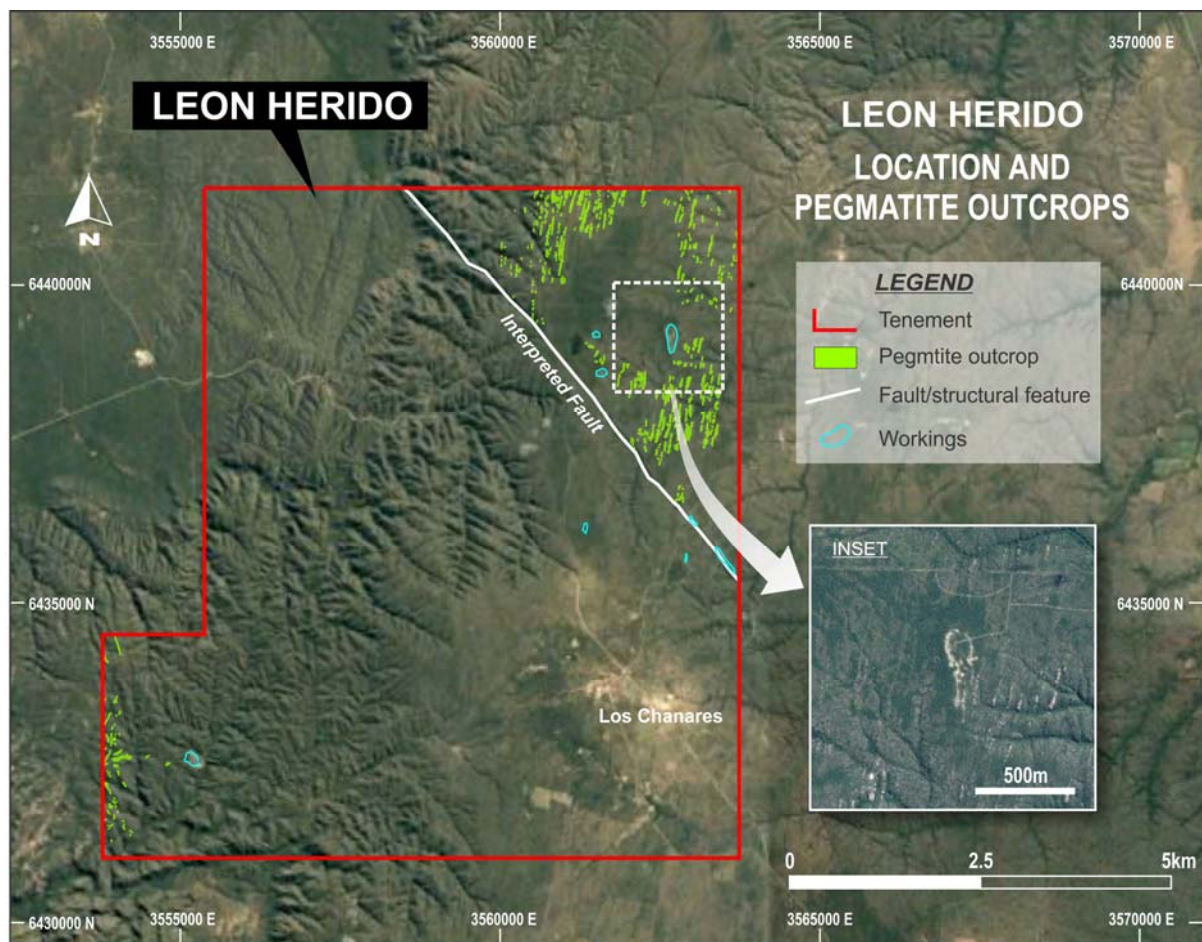


Figure 6 – The Leon Herido exploration licence with pegmatites outlined in green. Inset shows a large pegmatite outcropping at surface.

The Board of Dark Horse looks forward to providing project activity updates as new information comes to hand.

On behalf of the Board
Mr Karl Schlobohm
Company Secretary

Competent Persons Statement

The information herein that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Neil Stuart, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Neil Stuart is a Director of Dark Horse Resources Ltd.

Mr Stuart has more than five years experience which is relevant to the style of mineralisation and type of deposit being reported and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). This public report is issued with the prior written consent of the Competent Person(s) as to the form and context in which it appears.



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About Dark Horse Resources:

Dark Horse Resources is mineral resources company primarily focussed on South America. The Company currently has large portfolio of mineralised lithium pegmatite and gold exploration projects in Argentina.

Argentina is undergoing significant political and social reforms, which has created a very attractive destination for mining and diverse project interests, in conjunction with being well endowed in mineral resources, particularly lithium and gold mining.

Dark Horse Resources also owns:

- approximately 9.2 billion shares in ASX-listed Lakes Oil NL, a conventional gas explorer in Victoria, and oil and gas exploration properties in Queensland and South Australia.
- Dark Horse Energy Holdings, a 100% subsidiary recently established to pursue power generation projects in Australia, Argentina and throughout the world.



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JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg. 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. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 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 (eg. '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 (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Results in this release relate to interpretations from the study of remote sensing imagery and photography, and the follow up visual observations of rock outcrops in the suite of Pampa Litio SA San Luis Exploration Licenses. Light-coloured bodies that might be reflective of quartz feldspar dykes/intrusives or pegmatite-like masses that may be host to lithium mineralization were targeted in the study. The study was conducted in MapInfo. Differing scales of imagery were utilised. Colour and hues of the imagery were manipulated in both MapInfo and Envi to enhance paler toned bodies to assist in interpretation. Google Earth was also used to assist interpretation. Rocks were observed and recorded in outcrop however, no samples were taken for analysis.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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). 	<ul style="list-style-type: none"> No drilling undertaken
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 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. 	<ul style="list-style-type: none"> No drilling undertaken
Logging	<ul style="list-style-type: none"> 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. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> A description of outcrops including rock type, alteration, structure and mineralization was recorded. Not Applicable Not Applicable

Criteria	JORC Code explanation	Commentary
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • No sampling was done.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • No samples were analyzed.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Not Applicable
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • All rock measurement locations and rock outcrop locations were located using a handheld GPS and are accurate $\pm 5m$. • Reference system used was Gauss- Kruger POSGAR94 (Argentina WGS-84) Argentina Gauss-Kruger Zone 3 (WGS 84).
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • No particular data spacing special distribution. • Data spacing is of insufficient density to determine a resource estimate. Additional detailed follow-up sampling is recommended to qualify and quantity the anomalous areas in greater detail prior to drill testing if

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether sample compositing has been applied. 	warranted.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Rock measurements were taken perpendicular to the strike. Not Applicable
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Not Applicable
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Not Applicable

Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Measurements carried out on the following granted exploration licenses: El Totoral File 48/R/16, San Martin, Novillo Negro and Leon Herido (all in San Luis Province, Argentina), all held by Dark Horse under an Option Agreement with Pampa Litio SA (ASX Announcement October 2016). Not Applicable
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Previous exploration has been carried out by Pampa Litio SA under the management of Dr Gustavo Rodriguez, a principal of Pampa Litio SA, which included geological mapping, rock chip sampling and assaying. These results were reported to the ASX in October 2016.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Mineralization model corresponds to pegmatites within diorites or intruded into low grade metamorphic schists. In the San Luis province, the pegmatites intrude the low-grade rocks (phyllites and slates) of Pringles Metamorphic Complex (of possible Ordovician age). Mineralization style corresponds to late stage, slower cooling of intrusive mineralised fluids from large intrusive bodies, with the subsequent formation of large crystals of a great variety of minerals.

Criteria	JORC Code explanation	Commentary
<i>Drill hole Information</i>	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar 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. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> No drilling undertaken
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. 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. 	<ul style="list-style-type: none"> Not Applicable
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> 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 (eg. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Unknown at this stage
<i>Diagrams</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Figures showing the pegmatite locations are provided in report.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not Applicable

Criteria	JORC Code explanation	Commentary
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The new data is interpretations from the study of remote sensing imagery and photography, and follow up visual observations of rock outcrops.
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Geological mapping 1:2000, Rock chip sampling, Trench sampling, and Drilling. These activities are planned on a 24 month working schedule.

Section 3 Estimation and Reporting of Mineral Resources (Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Database integrity</i>	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	<ul style="list-style-type: none"> Not Applicable
<i>Site visits</i>	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> Not Applicable
<i>Geological interpretation</i>	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<ul style="list-style-type: none"> Interpretations were made of remote sensing imagery and photography, and confirmed in part by follow up visual observations of rock outcrops.
<i>Dimensions</i>	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<ul style="list-style-type: none"> Not Applicable
<i>Estimation and modelling</i>	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a 	<ul style="list-style-type: none"> Not Applicable

Criteria	JORC Code explanation	Commentary
<i>techniques</i>	<p><i>description of computer software and parameters used.</i></p> <ul style="list-style-type: none"> <i>• The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> <i>• The assumptions made regarding recovery of by-products.</i> <i>• Estimation of deleterious elements or other non-grade variables of economic significance (eg. sulphur for acid mine drainage characterisation).</i> <i>• In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> <i>• Any assumptions behind modelling of selective mining units.</i> <i>• Any assumptions about correlation between variables.</i> <i>• Description of how the geological interpretation was used to control the resource estimates.</i> <i>• Discussion of basis for using or not using grade cutting or capping.</i> <i>• The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i> 	
<i>Moisture</i>	<ul style="list-style-type: none"> <i>• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i> 	<ul style="list-style-type: none"> • Not Applicable
<i>Cut-off parameters</i>	<ul style="list-style-type: none"> <i>• The basis of the adopted cut-off grade(s) or quality parameters applied.</i> 	<ul style="list-style-type: none"> • Not Applicable
<i>Mining factors or assumptions</i>	<ul style="list-style-type: none"> <i>• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i> 	<ul style="list-style-type: none"> • Not Applicable
<i>Metallurgical factors or assumptions</i>	<ul style="list-style-type: none"> <i>• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions</i> 	<ul style="list-style-type: none"> • Not Applicable

Criteria	JORC Code explanation	Commentary
	<i>made.</i>	
<i>Environmental factors or assumptions</i>	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<ul style="list-style-type: none"> Not Applicable
<i>Bulk density</i>	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> Not Applicable
<i>Classification</i>	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	<ul style="list-style-type: none"> Not Applicable
<i>Audits or reviews</i>	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<ul style="list-style-type: none"> Not Applicable
<i>Discussion of relative accuracy/confidence</i>	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. 	<ul style="list-style-type: none"> Not Applicable

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	

Section 4 Estimation and Reporting of Ore Reserves (Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral Resource estimate for conversion to Ore Reserves</i>	<ul style="list-style-type: none"> <i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</i> <i>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i> 	<ul style="list-style-type: none"> Not Applicable
<i>Site visits</i>	<ul style="list-style-type: none"> <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> <i>If no site visits have been undertaken indicate why this is the case.</i> 	<ul style="list-style-type: none"> A site visit was made by the Competent Person to check the validity of some of the interpretations. In most cases the interpretations were found to be correct.
<i>Study status</i>	<ul style="list-style-type: none"> <i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</i> <i>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i> 	<ul style="list-style-type: none"> Not Applicable
<i>Cut-off parameters</i>	<ul style="list-style-type: none"> <i>The basis of the cut-off grade(s) or quality parameters applied.</i> 	<ul style="list-style-type: none"> Not Applicable
<i>Mining factors or assumptions</i>	<ul style="list-style-type: none"> <i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i> <i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i> 	<ul style="list-style-type: none"> Not Applicable

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.</i> <i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i> <i>The mining dilution factors used.</i> <i>The mining recovery factors used.</i> <i>Any minimum mining widths used.</i> <i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i> <i>The infrastructure requirements of the selected mining methods.</i> 	
<i>Metallurgical factors or assumptions</i>	<ul style="list-style-type: none"> <i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i> <i>Whether the metallurgical process is well-tested technology or novel in nature.</i> <i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i> <i>Any assumptions or allowances made for deleterious elements.</i> <i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i> <i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i> 	<ul style="list-style-type: none"> Not Applicable
<i>Environmental</i>	<ul style="list-style-type: none"> <i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i> 	<ul style="list-style-type: none"> Not Applicable
<i>Infrastructure</i>	<ul style="list-style-type: none"> <i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</i> 	<ul style="list-style-type: none"> Not Applicable
<i>Costs</i>	<ul style="list-style-type: none"> <i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i> <i>The methodology used to estimate operating costs.</i> 	<ul style="list-style-type: none"> Not Applicable

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • Allowances made for the content of deleterious elements. • The source of exchange rates used in the study. • Derivation of transportation charges. • The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. • The allowances made for royalties payable, both Government and private. 	
Revenue factors	<ul style="list-style-type: none"> • The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. • The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products. 	<ul style="list-style-type: none"> • Not Applicable
Market assessment	<ul style="list-style-type: none"> • The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. • A customer and competitor analysis along with the identification of likely market windows for the product. • Price and volume forecasts and the basis for these forecasts. • For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract. 	<ul style="list-style-type: none"> • Not Applicable
Economic	<ul style="list-style-type: none"> • The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. • NPV ranges and sensitivity to variations in the significant assumptions and inputs. 	<ul style="list-style-type: none"> • Not Applicable
Social	<ul style="list-style-type: none"> • The status of agreements with key stakeholders and matters leading to social licence to operate. 	<ul style="list-style-type: none"> • Not Applicable
Other	<ul style="list-style-type: none"> • To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: • Any identified material naturally occurring risks. • The status of material legal agreements and marketing arrangements. • The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party 	<ul style="list-style-type: none"> • Not Applicable

Criteria	JORC Code explanation	Commentary
	<i>on which extraction of the reserve is contingent.</i>	
Classification	<ul style="list-style-type: none"> The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person's view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any). 	<ul style="list-style-type: none"> Not Applicable
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Ore Reserve estimates. 	<ul style="list-style-type: none"> Not Applicable
Discussion of relative accuracy/confidence	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<ul style="list-style-type: none"> Not Applicable

Section 5 Estimation and Reporting of Diamonds and Other Gemstones

(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Criteria	JORC Code explanation	Commentary
Indicator minerals	<ul style="list-style-type: none"> Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory. 	<ul style="list-style-type: none"> Not Applicable

Criteria	JORC Code explanation	Commentary
Source of diamonds	<ul style="list-style-type: none"> Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment. 	<ul style="list-style-type: none"> Not Applicable
Sample collection	<ul style="list-style-type: none"> Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (eg large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution). Sample size, distribution and representivity. 	<ul style="list-style-type: none"> Not Applicable
Sample treatment	<ul style="list-style-type: none"> Type of facility, treatment rate, and accreditation. Sample size reduction. Bottom screen size, top screen size and re-crush. Processes (dense media separation, grease, X-ray, hand-sorting, etc). Process efficiency, tailings auditing and granulometry. Laboratory used, type of process for micro diamonds and accreditation. 	<ul style="list-style-type: none"> Not Applicable
Carat	<ul style="list-style-type: none"> One fifth (0.2) of a gram (often defined as a metric carat or MC). 	<ul style="list-style-type: none"> Not Applicable
Sample grade	<ul style="list-style-type: none"> Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume. The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation. In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne). 	<ul style="list-style-type: none"> Not Applicable
Reporting of Exploration Results	<ul style="list-style-type: none"> Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry. Sample density determination. Per cent concentrate and undersize per sample. Sample grade with change in bottom cut-off screen size. Adjustments made to size distribution for sample plant performance and performance on a commercial scale. If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond 	<ul style="list-style-type: none"> Not Applicable

Criteria	JORC Code explanation	Commentary
	<p><i>samples.</i></p> <ul style="list-style-type: none"> <i>The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.</i> 	
Grade estimation for reporting Mineral Resources and Ore Reserves	<ul style="list-style-type: none"> <i>Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.</i> <i>The sample crush size and its relationship to that achievable in a commercial treatment plant.</i> <i>Total number of diamonds greater than the specified and reported lower cut-off sieve size.</i> <i>Total weight of diamonds greater than the specified and reported lower cut-off sieve size.</i> <i>The sample grade above the specified lower cut-off sieve size.</i> 	<ul style="list-style-type: none"> Not Applicable
Value estimation	<ul style="list-style-type: none"> <i>Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.</i> <i>To the extent that such information is not deemed commercially sensitive, Public Reports should include:</i> <ul style="list-style-type: none"> <i>diamonds quantities by appropriate screen size per facies or depth.</i> <i>details of parcel valued.</i> <i>number of stones, carats, lower size cut-off per facies or depth.</i> <i>The average \$/carat and \$/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.</i> <i>The basis for the price (eg dealer buying price, dealer selling price, etc).</i> <i>An assessment of diamond breakage.</i> 	<ul style="list-style-type: none"> Not Applicable
Security and integrity	<ul style="list-style-type: none"> <i>Accredited process audit.</i> <i>Whether samples were sealed after excavation.</i> <i>Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.</i> <i>Core samples washed prior to treatment for micro diamonds.</i> <i>Audit samples treated at alternative facility.</i> <i>Results of tailings checks.</i> <i>Recovery of tracer monitors used in sampling and treatment.</i> <i>Geophysical (logged) density and particle density.</i> <i>Cross validation of sample weights, wet and dry, with hole volume and</i> 	<ul style="list-style-type: none"> Not Applicable

Criteria	JORC Code explanation	Commentary
	<i>density, moisture factor.</i>	
<i>Classification</i>	<ul style="list-style-type: none"> <i>In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.</i> 	<ul style="list-style-type: none"> Not Applicable