ASX Announcement

7 December 2017

Assay Results Confirm Lithium Richness of Las Tapias Pegmatite

The Board of Directors of Dark Horse Resources Limited (ASX:DHR; "DHR", "Dark Horse" or "the Company") is pleased to update the market on the status of its exploration programs for its Argentinean lithium projects.

Dark Horse completed the first stage mapping and sampling of the surface and underground workings of the **Las Tapias Mine** in Cordoba province (refer **Figure 1** and **Figure 2**) in November 2017. The work was reported to the ASX on 8 November 2017. The assay results from this program have now been received and evaluated, and the following highlights concluded from the work to date:

- **The mineralised pegmatite is an ellipsoidal feature with a measured length of 300m to 400m, a width of 150m to 200m and an unknown depth, determined from surface and underground mapping at the mine.**
- **Very large crystals of spodumene in massive formations have been mapped on surface and underground (refer photos included below).**
- **A total of 142 representative rock chip samples were obtained and assayed - 39 from underground and 103 from the surface.**
- **All underground samples returned lithium contents. They are predominantly 2m-long representative channel samples from the drives and caves, and cover a significant proportion of the old working spaces.**
- **54% (21 of 39) of these underground samples returned lithium values greater than 1.0% Li2O.**
- **There are two separate, continuous 30 metre sections within the underground caves that average 2.47% and 1.11% Li2O each.**
- **Best underground results of Li2O are: 5.63% (A-1106), 5.74% (A-1108) and 4.93% (A-1109).**
- **Shallow surface weathering would have caused surface spodumene samples to return low Li2O values. An immediate follow-up trenching program utilising the mine's earth moving equipment to obtain fresh samples has been implemented to test the depth of weathering, expected to be several meters only.**
- **Best surface results of Li2O are: 1.33% (A-1064) and 0.94% (A-1063).**
- **A preliminary assessment of the Mine waste dumps has indicated a quantity of waste rock material of approximately 2 million tonnes. Preliminary surface sampling has indicated lithium content, however shallow surface weathering is believed to have affected the mineralisation and hence the results. Again, trenching is being implemented to obtain fresh samples and better definition of the dumps.**

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- **Best surface waste dump results of Li2O are: 1.87% (A-1140) and 0.69% (A-1131).**
- **Some anomalous Tantalum results were returned from surface samples, but not underground samples.**
- **Best surface results of Ta2O5 are: 262ppm (A-1006), 151ppm (A-1015) and 182ppm (A-1023).**
- **A first stage drilling plan has been designed for Las Tapias with 25 holes for 3,000 metres scheduled. This work will commence as soon as drilling permits have been secured, which is expected in March 2018.**
- **The results of this initial drilling are expected to move the project towards the estimation of a maiden Indicated and Inferred JORC Resource.**
- **Subsequent follow up resource definition drilling will be scheduled during 2018 to further upgrade the maiden resource.**
- **The Company's lithium Exploration Target has been upgraded on the basis of these, and previously reported, results.**
- **Dark Horse is well cashed up to implement these programs following a successful capital raising as announced on 30 November 2017.**

Las Tapias Sampling and Assay Results

The Las Tapias pegmatite is an ellipsoidal feature with a measured length of 300m to 400m, a width of 150m to 200m and an unknown depth, determined from surface and underground mapping at the Mine during September through to November 2017 (refer **Figure 3**). A comprehensive sampling program was undertaken at the Las Tapias Mine during this recent mapping work. A total of 142 representative rock chip samples were obtained and assayed - 39 from underground (refer **Figure 4**) and 103 from the surface (refer **Figure 5**), including 15 samples over some of the mine waste dumps. Surface samples obtained in the quarry and underground workings were taken as channel samples over lengths of predominantly two metres. Each waste dump sample was collected at the surface of the dump over a 5-metre radial area. All sampling was designed to ensure samples were representative of the material being tested.

The samples were sent to the ALS Mendoza laboratory for sample preparation, followed by analysis at the ALS Perth laboratory using Multi-Element Analysis by Sodium Peroxide Fusion and ICP-MS and Li Analysis by Sodium Peroxide Fusion and ICP-ES.

The complete assay results are included as Annexure A, with the major results summarised in the highlights above. In general terms, the results show high Li2O in the underground mine workings and low Li2O at surface. Shallow surface weathering would have caused surface spodumene samples to return low Li2O values (the area receives some 600 mm of rain each year). Underground mine workings are quite shallow at between 25 and 50 metres below ground surface and it is expected that surface weathering is quite shallow, with a trenching program being implemented to test this.

The results conclusively prove that the Las Tapias pegmatite is a rich source of lithium spodumene. Dark Horse intends to carry out detailed exploration as described below to move this project to a JORC Resource.

Planned Future Las Tapias Exploration Program

The geological mapping at Las Tapias has provided Dark Horse with the platform for the immediate siting of planned drillholes. Whilst permitting for this is in progress, a trial Electric Tomography and Ground Magnetic geophysics survey will be carried out over a smaller portion of the pegmatite.

Dark Horse has researched various types of geophysical techniques suitable to this particular geological environment, and believes this combined technique may have some benefit in delineating the three-dimensional geometry of the Las Tapias pegmatite, particularly depth.

Should the trial be successful, the program will be enlarged to cover the whole licensed area to assist in the delineation of all pegmatite bodies and dykes. Argentine company ALH Geofisica has been chosen to carry out the trial.

A surface trenching program is being carried out in the quarry utilizing existing mining equipment and techniques to test the depth of weathering, expected to be shallow.

Permitting for the drilling has commenced. As the Las Tapias Mine is currently in operation for mica, albeit small scale, it has an existing Environmental Impact Study and Operating Permit in place. The Company is simply applying for an extension of this permit to include drilling within the Mining Licences to allow an upgrade of operations. It is expected the permit will be achieved in February-March 2018 to allow commencement of drilling during March 2018.

A first stage drilling plan has been designed for Las Tapias with 25 holes for a total of 3,000 metres, with most holes expected to be 100 to 150 metres deep (refer **Figure 6**). Some deeper holes will be drilled to fully test the depth extension of the pegmatite. The field work is expected to be completed within two months with assaying, evaluation and reporting in another two months.

It is anticipated that the results of this initial drilling will move the project towards the estimation of a maiden Indicated and Inferred JORC Resource. Subsequent follow up resource definition drilling would follow to further upgrade the resource.

Conosur Mining Services and Energold Argentina drilling companies have been engaged to quote on this work. Both companies have a great deal of experience in mineral drilling within Argentina. Dark Horse will further update the market as these plans develop.

Other Current Exploration

The El Totoral-San Luis Mine project is the next significant target of the Dark Horse, where a 4.5km long pegmatite with high lithium values has previously been mapped by Pampa Litio. The historic San Luis Mine is located at the northern end of this pegmatite. A comprehensive, systematic exploration program has been designed with a target to achieve a maiden JORC Resource. The major field works will be implemented during 2018 once all permitting is secured and include:

- satellite imagery and structural analysis;
- detailed geological mapping and sampling;
- geophysics;
- drilling and assaying.

Additionally, reconnaissance mapping is planned for 2018 throughout the Company's portfolio of San Luis exploration licences, following the remote sensing and photogeology study, which proved the existence of a plethora of pegmatites within these licences, some of which have very large surface expressions. Further lithium targets are expected to be defined by the upcoming mapping program, and follow up detailed exploration work including drilling will be undertaken in systematic programs.

The results of these work programs will be reported on a regular basis as these targets are defined.

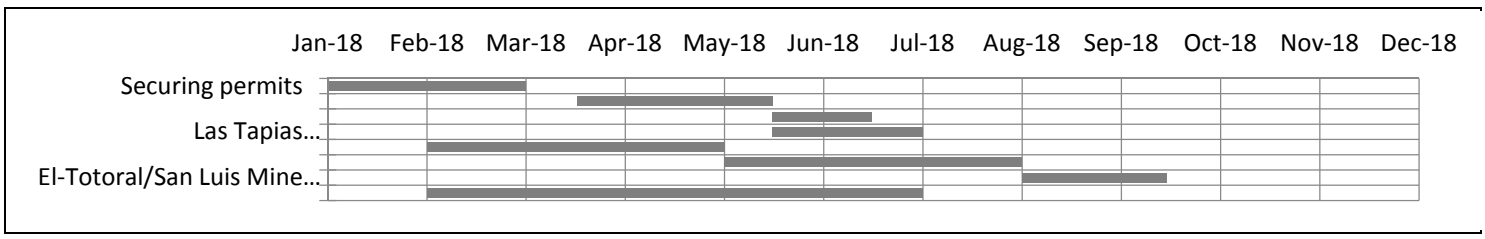
Lithium Targets and Strategy

Dark Horse has access to a large portfolio of mineral exploration ground under lease in Argentina through its progressive acquisition of domestic company Pampa Litio SA, of which it currently owns 25%. Pampa Litio holds four separate exploration licences in the San Luis province (Leon Herido, San Martin, Novillo Negro and El Totoral) totalling 34,000ha, and holds an option to acquire the Las Tapias Mine in Cordoba province (**Figure 2**), as outlined in the Company's detailed ASX release of 15 August 2016. Las Tapias consists of 6 current mining licences (Las Tapias 17ha, La Protectora 5.9ha, Rosita 5ha, San Telesforo 5.9ha, San Jose 11.9ha and San Jose II 36ha) and a surrounding exploration licence (302ha) (refer **Figure 3**). Another significant lithium bearing pegmatite exists in the El Totoral lease, where a 4.5km long pegmatite with high lithium values has previously been mapped by Pampa Litio. The historic San Luis Mine is located at the northern end of this pegmatite.

As previously stated, Dark Horse's overriding objective is to discover and define a large lithium rich pegmatite resource, develop mines to produce lithium ore, and ultimately consider a production facility in Argentina manufacturing battery grade lithium hydroxide for sale into the international battery and electronic markets. Future sales may extend into a new domestic market for lithium products as the economy in Argentina continues to transform under the market-reformed current administration.

To achieve its objectives, and based on the exploration results published to date and observations from this and previous field work, Dark Horse will carry out further and systematic exploration comprising geological, geophysical and drilling techniques, and has upgraded its Exploration Target to approximately 75 million tonnes to 100 million tonnes of lithium ore grading from approximately 0.9% Li2O to approximately 1.5% Li2O. This is a substantial increase from the Company's previous estimation of approximately 30 million tonnes to 60 million tonnes with the same grade, due to the increased knowledge surrounding the Las Tapias pegmatite, the El-Totoral/San Luis Mine pegmatite, and the discovery of the plethora of pegmatites in the San Luis Province Exploration Licence portfolio via the remote sensing work recently undertaken and reported. The Company notes that the potential quantity and grades quoted is conceptual in nature, and that there has been insufficient exploration undertaken to date to estimate a mineral resource, and that it is uncertain if further exploration will result in the estimation of a mineral resource.

In summary, Dark Horse has developed comprehensive exploration programs for its full suite of licences in San Luis and Cordoba provinces, in particular the primary targets of Las Tapias and El Totoral/San Luis Mine, it has engaged a professional team of geoscientists, is well funded, and is moving systematically and prudently down the path to meet its objectives. The current milestones are shown below:



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Annexure A – Full Table of Sample Results

Sample	Type	Where	East	North	Length	Ta ppm	Li%	Li2O%	Ta2O5ppm
A-1001	Rock Chip	Surface	3586310	6466480	2.00	18.6	0.01	0.01	22.71
A-1002	Rock Chip	Surface	3586310	6466476	2.00	7.5	0.01	0.02	9.16
A-1003	Rock Chip	Surface	3586314	6466476	2.00	9.3	0.01	0.02	11.36
A-1004	Rock Chip	Surface	3586285	6466478	2.00	72.2	0.01	0.02	88.16
A-1005	Rock Chip	Surface	3586283	6466476	2.00	22	0.01	0.02	26.86
A-1006	Rock Chip	Surface	3586281	6466475	2.00	215	0.01	0.02	262.54
A-1007	Rock Chip	Surface	3586278	6466474	2.00	23.3	0.02	0.03	28.45
A-1008	Rock Chip	Surface	3586277	6466473	2.00	57.6	0.01	0.02	70.34
A-1009	Rock Chip	Surface	3586275	6466471	2.00	11.9	0.01	0.02	14.53
A-1010	Rock Chip	Surface	3586274	6466471	2.00	7.8	0.00	0.01	9.52
A-1011	Rock Chip	Surface	3586274	6466470	2.00	10.3	0.01	0.01	12.58
A-1012	Rock Chip	Surface	3586272	6466470	2.00	18.8	0.01	0.02	22.96
A-1013	Rock Chip	Surface	3586270	6466469	2.00	22.6	0.01	0.02	27.60
A-1014	Rock Chip	Surface	3586269	6466468	2.00	16	0.01	0.01	19.54
A-1015	Rock Chip	Surface	3586267	6466467	2.00	124	0.01	0.02	151.42
A-1016	Rock Chip	Surface	3586265	6466466	2.00	24.2	0.01	0.01	29.55
A-1017	Rock Chip	Surface	3586263	6466464	2.00	15	0.01	0.01	18.32
A-1018	Rock Chip	Surface	3586261	6466463	2.00	11.4	0.01	0.01	13.92
A-1019	Rock Chip	Surface	3586260	6466462	2.00	19.6	0.01	0.02	23.93
A-1020	Rock Chip	Surface	3586259	6466461	2.00	11.5	0.01	0.03	14.04
A-1021	Rock Chip	Surface	3586257	6466460	2.00	13.2	0.01	0.01	16.12
A-1022	Rock Chip	Surface	3586256	6466459	2.00	14.7	0.01	0.02	17.95
A-1023	Rock Chip	Surface	3586255	6466458	2.00	149	0.01	0.02	181.94
A-1024	Rock Chip	Surface	3586253	6466456	2.00	24.4	0.00	0.01	29.79
A-1025	Rock Chip	Surface	3586252	6466455	2.00	5.4	0.01	0.01	6.59
A-1026	Rock Chip	Surface	3586251	6466452	2.00	17.4	0.01	0.02	21.25
A-1027	Rock Chip	Surface	3586231	6466415	2.00	8.5	0.01	0.02	10.38
A-1029	Rock Chip	Surface	3586394	6466281	2.00	8	0.01	0.02	9.77
A-1030	Rock Chip	Surface	3586393	6466284	2.00	10.7	0.03	0.06	13.07
A-1031	Rock Chip	Surface	3586393	6466287	2.00	18.2	0.02	0.04	22.22
A-1032	Rock Chip	Surface	3586391	6466290	2.00	14.4	0.02	0.04	17.58
A-1033	Rock Chip	Surface	3586391	6466292	2.00	6.5	0.02	0.03	7.94
A-1034	Rock Chip	Surface	3586390	6466295	2.00	6.6	0.01	0.03	8.06
A-1035	Rock Chip	Surface	3586386	6466317	1.85	5.4	0.01	0.02	6.59
A-1037	Rock Chip	Surface	3586387	6466317	1.85	6.1	0.01	0.02	7.45
A-1038	Rock Chip	Surface	3586388	6466348	1.70	10.5	0.01	0.03	12.82
A-1039	Rock Chip	Surface	3586389	6466348	1.70	10.5	0.01	0.02	12.82
A-1040	Rock Chip	Surface	3586288	6466254	1.85	12.8	0.01	0.01	15.63
A-1041	Rock Chip	Surface	3586288	6466254	1.85	12.9	0.01	0.03	15.75
A-1042	Rock Chip	Surface	3586289	6466248	1.90	14.9	0.01	0.02	18.19
A-1043	Rock Chip	Surface	3586289	6466248	1.90	12.1	0.01	0.02	14.78
A-1044	Rock Chip	Surface	3586284	6466243	1.70	315	0.01	0.02	384.65
A-1045	Rock Chip	Surface	3586284	6466243	1.70	8.6	0.01	0.01	10.50
A-1046	Rock Chip	Surface	3586268	6466224	2.00	29.6	0.01	0.02	36.14
A-1047	Rock Chip	Surface	3586268	6466224	2.00	8.9	0.01	0.03	10.87
A-1048	Rock Chip	Surface	3586267	6466267	1.50	21.3	0.03	0.06	26.01
A-1049	Rock Chip	Surface	3586267	6466217	1.50	8.9	0.02	0.03	10.87
A-1050	Rock Chip	Surface	3586264	6466212	1.70	88.3	0.02	0.03	107.82
A-1051	Rock Chip	Surface	3586264	6466212	1.70	25.4	0.02	0.05	31.02
A-1052	Rock Chip	Surface	3586274	6466205	2.00	32.2	0.03	0.06	39.32
A-1053	Rock Chip	Surface	3586274	6466204	2.00	20.4	0.02	0.04	24.91

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Sample	Type	Where	East	North	Length	Ta ppm	Li%	Li2O%	Ta2O5ppm
A-1054	Rock Chip	Surface	3586274	6466200	2.00	108.5	0.02	0.05	132.49
A-1055	Rock Chip	Surface	3586274	6466199	2.00	26.7	0.01	0.03	32.60
A-1056	Rock Chip	Surface	3586276	6466196	2.00	2.5	0.01	0.01	3.05
A-1057	Rock Chip	Surface	3586277	6466194	2.00	4	0.01	0.01	4.88
A-1058	Rock Chip	Surface	3586277	6466198	2.00	2	0.02	0.05	2.44
A-1059	Rock Chip	Surface	3586281	6466199	2.00	15.4	0.02	0.05	18.80
A-1060	Rock Chip	Surface	3586281	6466201	2.00	6.6	0.02	0.04	8.06
A-1061	Rock Chip	Surface	3586282	6466203	2.00	19.6	0.05	0.10	23.93
A-1062	Rock Chip	Surface	3586282	6466208	2.00	41.7	0.14	0.29	50.92
A-1063	Rock Chip	Surface	3586282	6466208	2.00	11	0.44	0.94	13.43
A-1064	Rock Chip	Surface	3586284	6466209	2.00	11.2	0.62	1.33	13.68
A-1065	Rock Chip	Surface	3586286	6466214	2.00	1.7	0.01	0.02	2.08
A-1066	Rock Chip	Surface	3586279	6466207	2.00	0.9	0.12	0.25	1.10
A-1068	Rock Chip	Surface	3586281	6466216	2.00	10.1	0.01	0.02	12.33
A-1069	Rock Chip	Surface	3586287	6466213	2.00	3.6	0.01	0.03	4.40
A-1070	Rock Chip	Surface	3586317	6466193	2.00	9.6	0.03	0.06	11.72
A-1071	Rock Chip	Surface	3586318	6466192	2.00	4.5	0.01	0.03	5.49
A-1072	Rock Chip	Underground	3586331	6466130	2.00	1.6	0.01	0.03	1.95
A-1073	Rock Chip	Underground	3586330	6466133	2.00	18.2	0.04	0.09	22.22
A-1074	Rock Chip	Underground	3586329	6466136	2.00	7.3	0.05	0.10	8.91
A-1075	Rock Chip	Underground	3586328	6466138	2.00	15.4	0.02	0.04	18.80
A-1076	Rock Chip	Underground	3586328	6466141	2.00	7.3	0.12	0.25	8.91
A-1077	Rock Chip	Underground	3586328	6466143	2.00	2.7	0.34	0.74	3.30
A-1078	Rock Chip	Underground	3586327	6466145	2.00	2.2	0.20	0.42	2.69
A-1079	Rock Chip	Underground	3586325	6466146	2.00	1	0.03	0.07	1.22
A-1081	Rock Chip	Underground	3586324	6466149	2.00	3.3	0.72	1.55	4.03
A-1082	Rock Chip	Underground	3586319	6466154	2.00	3.4	0.51	1.09	4.15
A-1083	Rock Chip	Underground	3586320	6466156	2.00	1.8	0.82	1.77	2.20
A-1084	Rock Chip	Underground	3586318	6466159	2.00	3.6	0.53	1.15	4.40
A-1085	Rock Chip	Underground	3586316	6466161	2.00	0.1	0.02	0.05	0.12
A-1086	Rock Chip	Underground	3586314	6466162	2.00	7.8	0.12	0.26	9.52
A-1087	Rock Chip	Underground	3586312	6466162	2.00	7.8	0.39	0.84	9.52
A-1088	Rock Chip	Underground	3586310	6466160	2.00	2.9	0.27	0.57	3.54
A-1089	Rock Chip	Underground	3586307	6466160	2.00	0.5	1.11	2.40	0.61
A-1090	Rock Chip	Underground	3586305	6466160	2.00	0.7	1.26	2.71	0.85
A-1091	Rock Chip	Underground	3586303	6466162	2.00	0.1	0.64	1.39	0.12
A-1092	Rock Chip	Underground	3586301	6466161	2.00	0.6	0.14	0.29	0.73
A-1093	Rock Chip	Underground	3586298	6466161	2.00	1	0.45	0.97	1.22
A-1094	Rock Chip	Underground	3586296	6466159	2.00	1	0.02	0.04	1.22
A-1095	Rock Chip	Underground	3586293	6466158	2.00	1.4	1.24	2.66	1.71
A-1096	Rock Chip	Underground	3586309	6466154	1.50	0.5	1.22	2.62	0.61
A-1097	Rock Chip	Underground	3586309	6466152	1.50	0.1	0.92	1.97	0.12
A-1098	Rock Chip	Underground	3586315	6466148	1.50	1.1	1.69	3.63	1.34
A-1099	Rock Chip	Underground	3586314	6466146	2.00	0.8	1.17	2.52	0.98
A-1100	Rock Chip	Underground	3586314	6466144	2.00	1.8	0.19	0.40	2.20
A-1101	Rock Chip	Underground	3586316	6466142	2.00	0.9	0.62	1.34	1.10
A-1102	Rock Chip	Underground	3586318	6466140	2.00	2.7	0.31	0.66	3.30
A-1103	Rock Chip	Underground	3586319	6466138	2.00	3.5	0.62	1.33	4.27
A-1104	Rock Chip	Underground	3586318	6466137	2.00	10.4	0.07	0.16	12.70
A-1105	Rock Chip	Underground	3586316	6466135	2.00	2.8	0.89	1.92	3.42
A-1106	Rock Chip	Underground	3586315	6466133	2.00	1.1	2.62	5.63	1.34
A-1108	Rock Chip	Underground	3586313	6466132	2.00	25.2	2.67	5.74	30.77

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A-1109	Rock Chip	Underground	3586311	6466130	2.00	7.7	2.29	4.93	9.40
A-1110	Rock Chip	Underground	3586311	6466127	2.00	14.5	0.68	1.46	17.71
A-1111	Rock Chip	Underground	3586312	6466125	2.00	33	1.34	2.89	40.30
A-1112	Rock Chip	Underground	3586314	6466122	2.00	2.7	1.05	2.27	3.30
A-1114	Rock Chip	Pegmatite dike	3587254	6465887	2.00	20.6	0.01	0.02	25.15
A-1115	Rock Chip	Pegmatite dike	3586044	6466542	2.00	14.6	0.00	0.01	17.83
A-1116	Rock Chip	Pegmatite dike	3587218	6466945	2.00	2.5	0.00	0.01	3.05
A-1117	Rock Chip	Pegmatite dike	3587279	6466864	2.00	3.7	0.00	0.01	4.52
A-1118	Rock Chip	Pegmatite dike	3587368	6466805	2.00	2.5	0.00	0.01	3.05
A-1119	Rock Chip	Pegmatite dike	3587212	6466709	2.00	3.1	0.00	0.00	3.79
A-1120	Rock Chip	Pegmatite dike	3587064	6466574	2.00	1.1	0.00	0.00	1.34
A-1121	Rock Chip	Pegmatite dike	3585873	6466110	2.00	11.4	0.01	0.03	13.92
A-1122	Rock Chip	Pegmatite dike	3586023	6465760	2.00	44	0.01	0.01	53.73
A-1123	Rock Chip	Pegmatite dike	3585930	6465589	2.00	11.1	0.00	0.00	13.55
A-1124	Rock Chip	Pegmatite dike	3586240	6465700	2.00	56.3	0.00	0.01	68.75
A-1125	Rock Chip	Pegmatite dike	3586608	6465863	2.00	29.7	0.00	0.01	36.27
A-1126	Rock Chip	Pegmatite dike	3586706	6466168	2.00	6.9	0.00	0.00	8.43
A-1127	Rock Chip	Pegmatite dike	3586960	6466191	2.00	5	0.00	0.01	6.11
A-1128	Rock Chip	Surface	3586461	6465970	2.00	1.8	0.00	0.01	2.20
A-1130	Rock Chip	Waste dump	3586522	6465970	R=5,00 mts	16.1	0.02	0.04	19.66
A-1131	Rock Chip	Waste dump	3586534	6465964	R=5,00 mts	10.4	0.32	0.69	12.70
A-1132	Rock Chip	Waste dump	3586556	6465924	R=5,00 mts	12.2	0.15	0.32	14.90
A-1133	Rock Chip	Waste dump	3586556	6465909	R=5,00 mts	19.1	0.02	0.05	23.32
A-1134	Rock Chip	Waste dump	3586559	6465890	R=5,00 mts	14.4	0.02	0.05	17.58
A-1135	Rock Chip	Waste dump	3586549	6465877	R=5,00 mts	21.2	0.02	0.05	25.89
A-1136	Rock Chip	Waste dump	3586513	6465898	R=5,00 mts	19.8	0.04	0.09	24.18
A-1138	Rock Chip	Waste dump	3586430	6465791	R=5,00 mts	2.4	0.01	0.01	2.93
A-1139	Rock Chip	Surface	3586307	6466236	2.00	68.9	0.05	0.11	84.13
A-1140	Rock Chip	Waste dump	3586369	6466180	R=5,00 mts	14.6	0.87	1.87	17.83
A-1141	Rock Chip	Waste dump	3586363	6466228	R=5,00 mts	63.7	0.02	0.04	77.78
A-1142	Rock Chip	Waste dump	3586167	6466284	R=5,00 mts	17.7	0.02	0.04	21.61
A-1143	Rock Chip	Waste dump	3586083	6466234	R=5,00 mts	30.8	0.02	0.03	37.61
A-1144	Rock Chip	Waste dump	3586127	6466293	R=5,00 mts	13	0.01	0.03	15.87
A-1145	Rock Chip	Waste dump	3586135	6466337	R=5,00 mts	10.1	0.02	0.04	12.33
A-1146	Rock Chip	Waste dump	3586088	6466302	R=5,00 mts	16.9	0.03	0.06	20.64
A-1147	Rock Chip	Surface	3586163	6465859	2.00	19.2	0.01	0.01	23.45
A-1148	Rock Chip	Surface	3586157	6465872	2.00	13.8	0.01	0.01	16.85
A-1149	Rock Chip	Surface	3586294	6466296	2.00	28.1	0.01	0.02	34.31
A-1150	Rock Chip	Surface	3586307	6466210	2.00	49.3	0.05	0.10	60.20

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Photos: Large spodumene crystals in massive formation, Las Tapias Mine underground.

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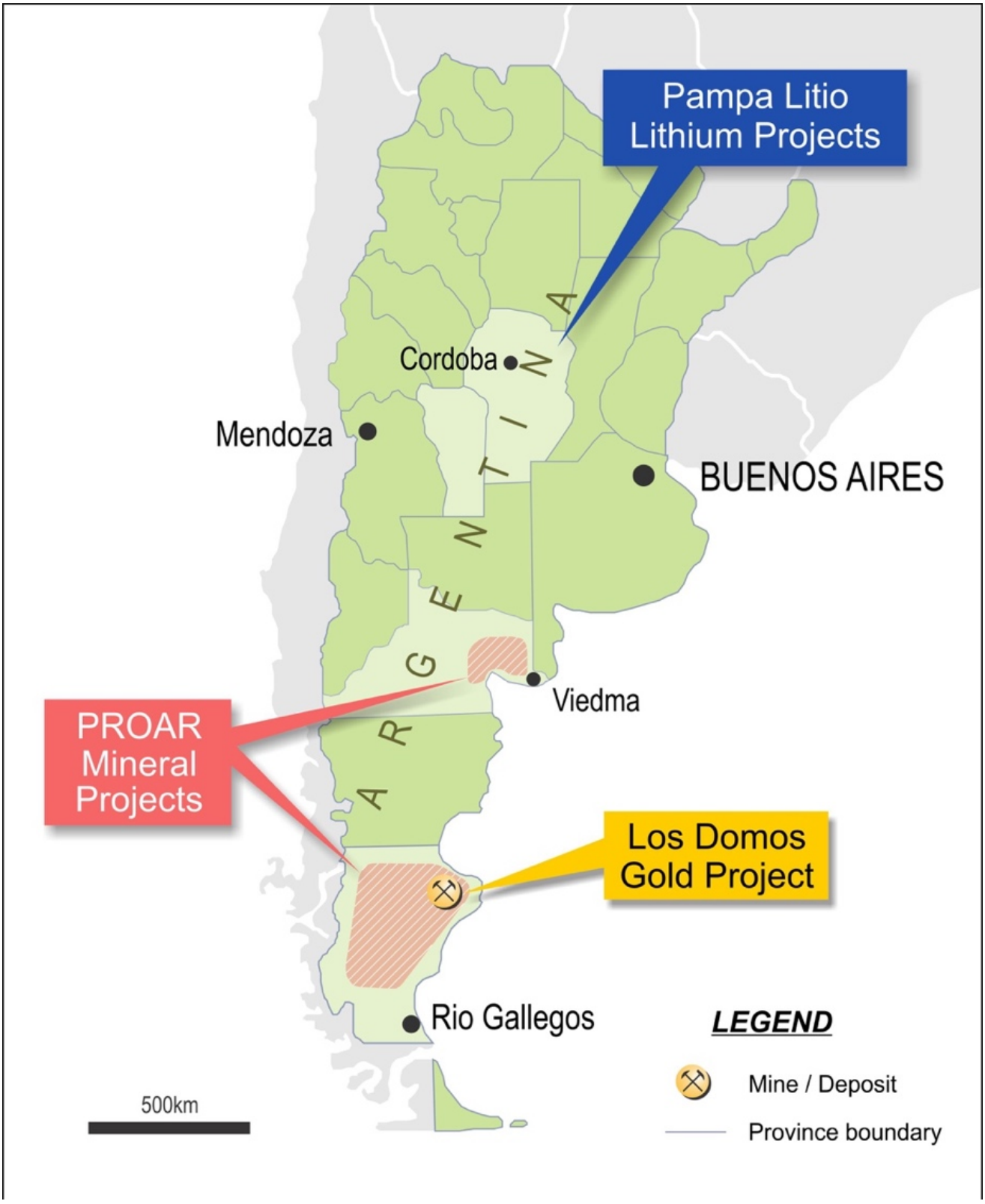

Figure 1 – Location of Dark Horse's mineral projects in Argentina.

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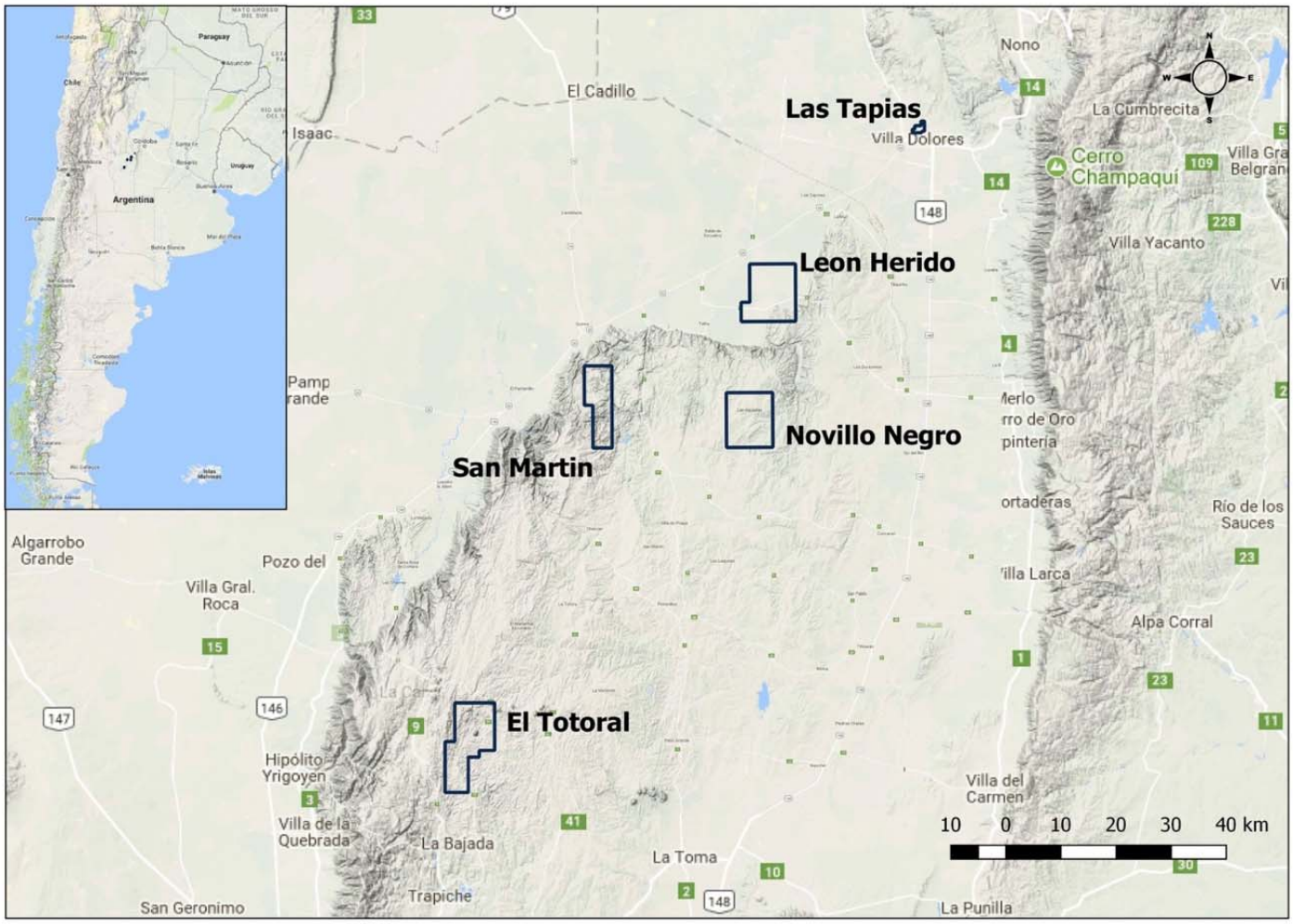

Figure 2 – The Pampa Litio suite of leases in San Luis province and Las Tapias Mine in Cordoba province.

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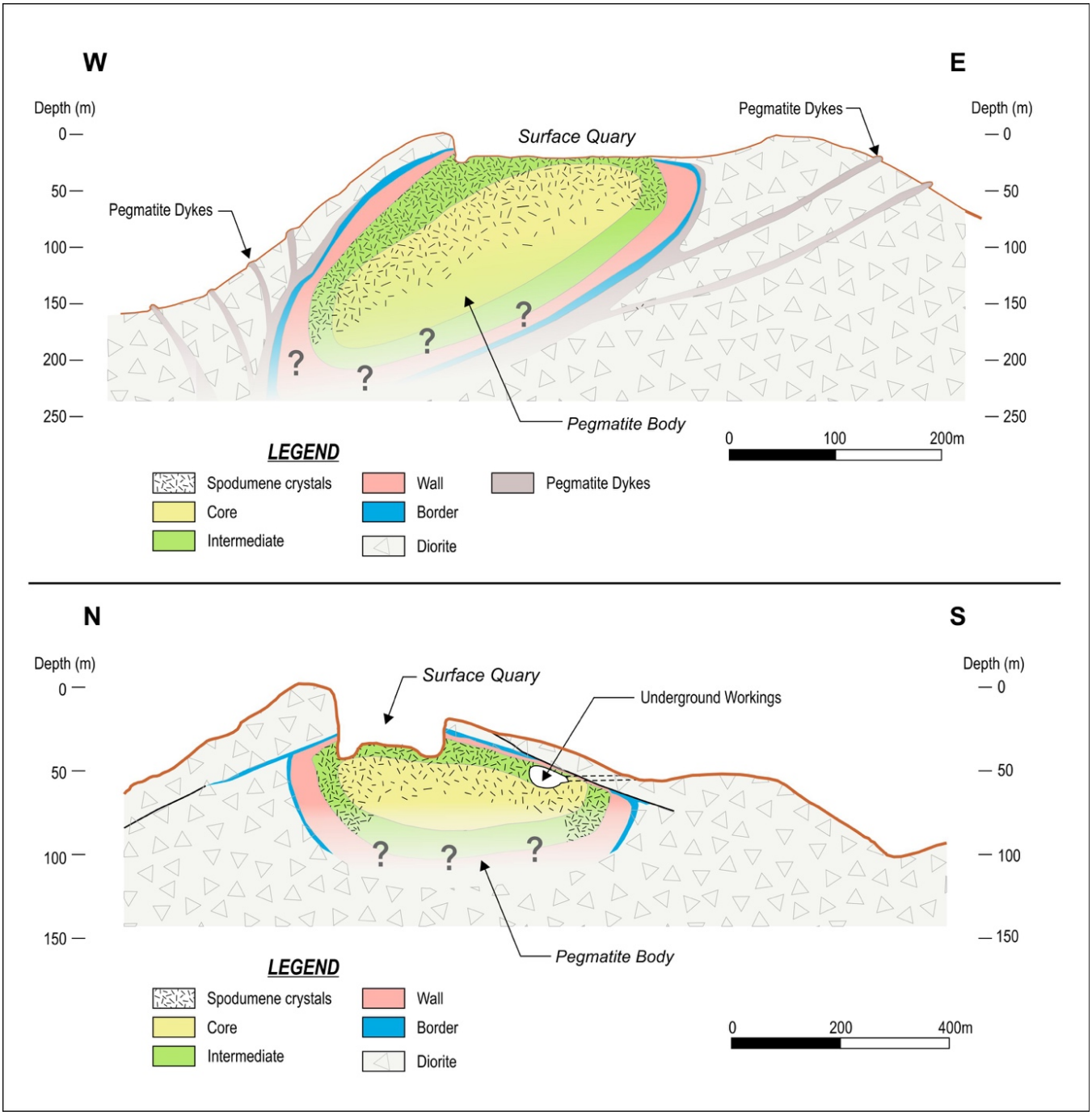

Figure 3 – Schematic cross sections showing the general shape and dimensions of the Las Tapias pegmatite body. (Referenced from "A Preliminary Deposit Model for Lithium-Cesium-Tantalum (LCT) Pegmatites", D Bradley and A McCauley, USGS, Open-File Report 2013-1008, Version 1.1, December 2016).

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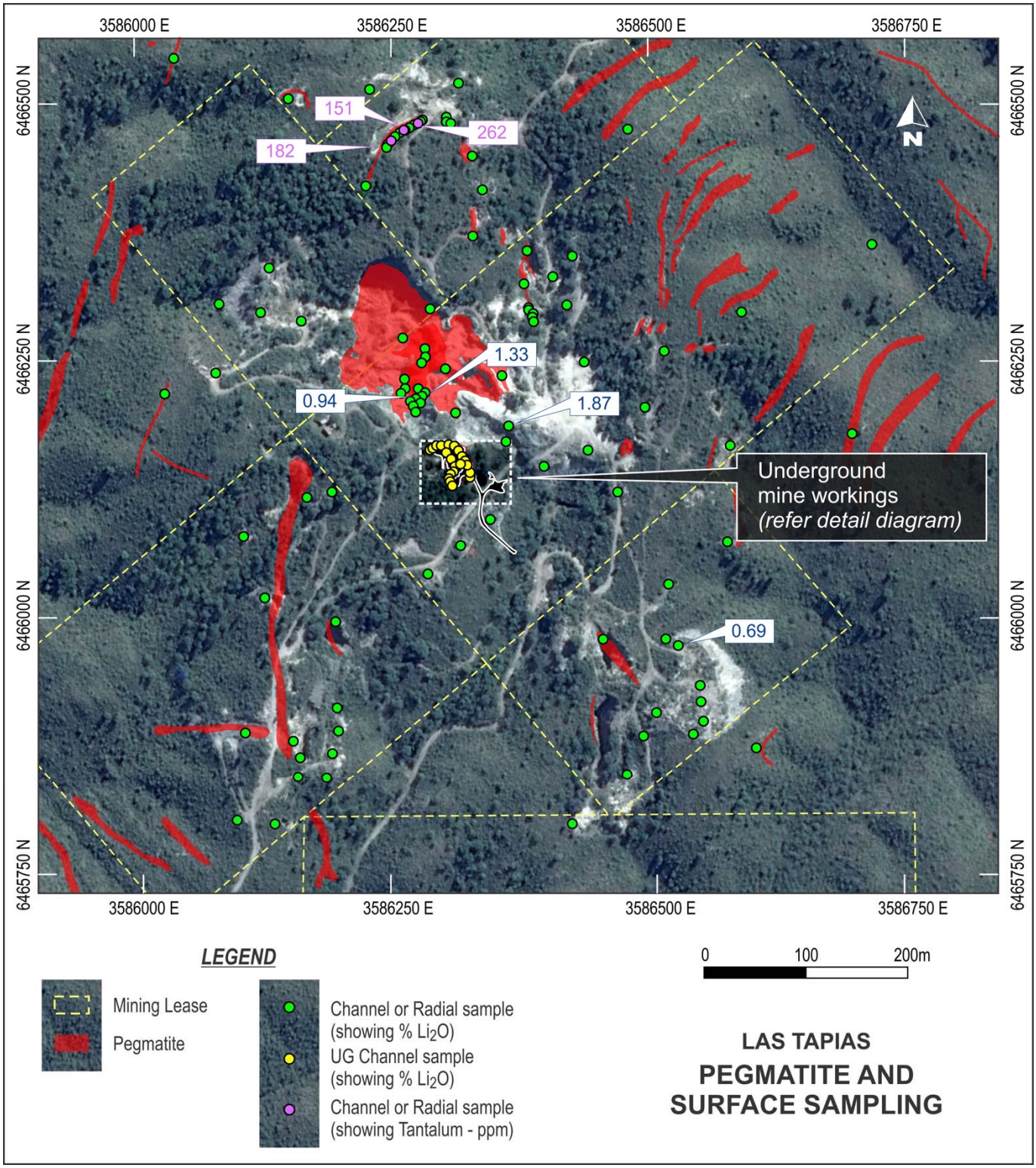

Figure 4: Location of surface samples and the significant Li20 and Ta205 assay results.

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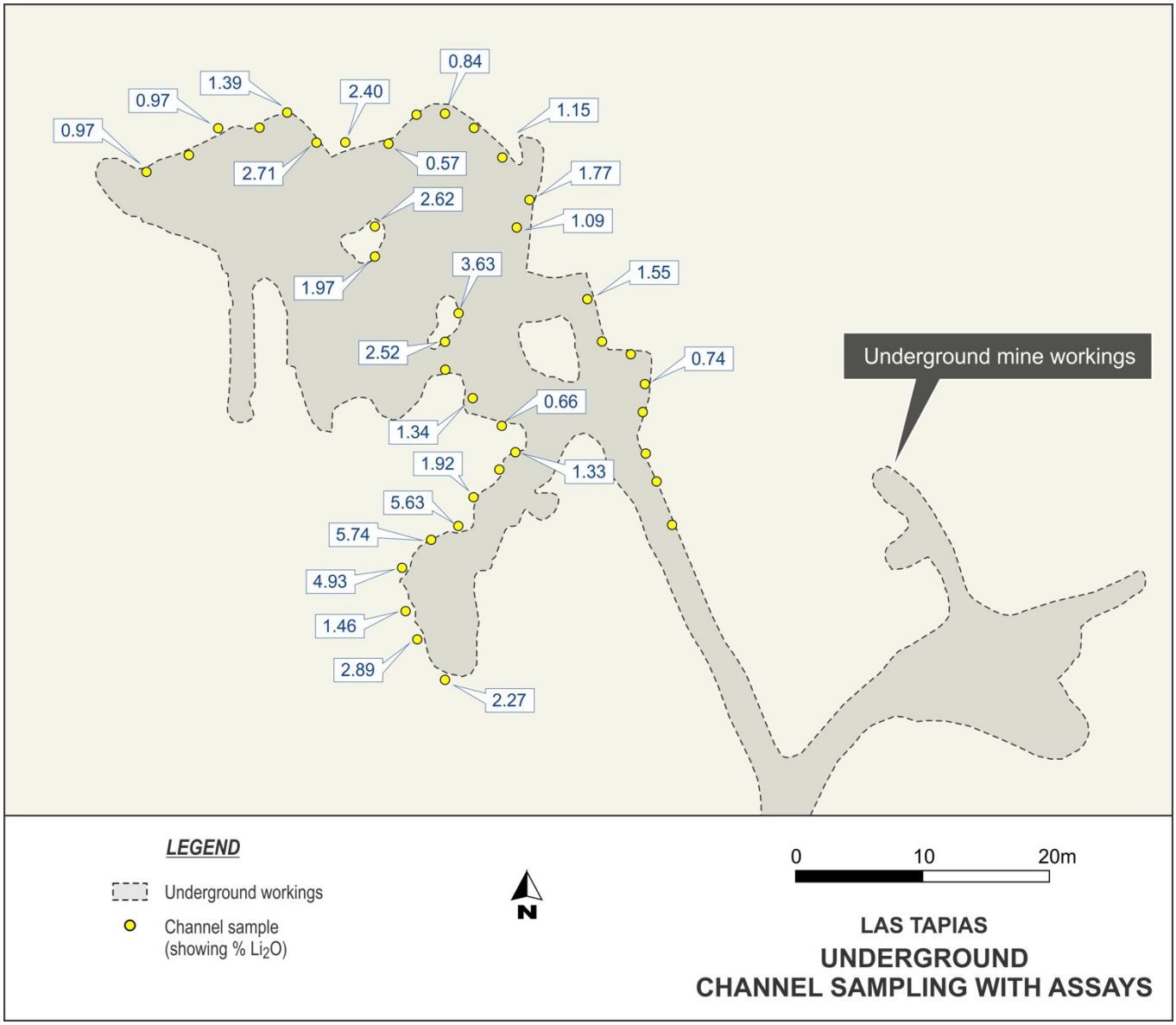

Figure 5: Location of underground samples and the significant Li20 assay results.

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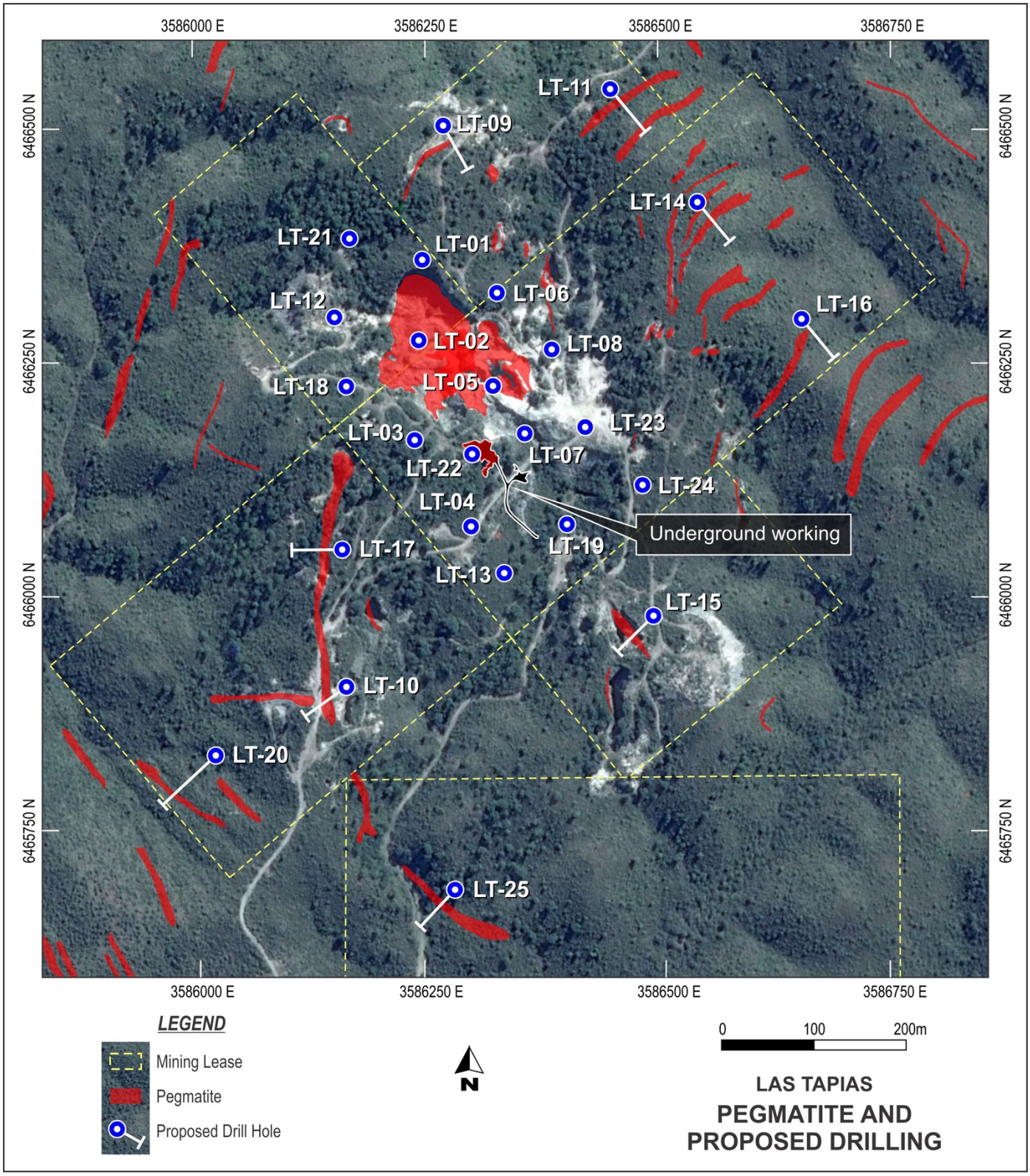

Figure 6: Location of planned drillhole sites at Las Tapias.

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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.

For further information contact:

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Executive Director, Dark Horse Resources Ltd
Ph: 07 3303 0650

Karl Schlobohm
Company Secretary, Dark Horse Resources Ltd
Ph: 07 3303 0650

About Dark Horse Resources:

Since listing on the Australian Stock Exchange in 2011, Dark Horse Resources has evolved into a diversified exploration company primarily focussed on Argentina. The Company currently has lithium, gold, coal and energy projects in Argentina.

Argentina is undergoing significant political and social reforms, which has created a very attractive destination for mining and diverse project interests.

Dark Horse Resources also owns approximately 9.2 billion shares in ASX-listed Lakes Oil NL.

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	• *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.*	• A total of 142 rock chip samples taken from surface (88 samples), underground workings (39 samples) and waste dumps (15 samples). Results also relate to visual observations and surface measurements of rock wall faces in quarries, underground workings and rock outcrops. • The surface rock chip samples and waste dump locations were measured by hand held GPS and related to fixed points with coordinates given by differential GPS and can be considered accurate to within 3 m, which is sufficient for the scope of the sample results. • The underground sample location where measured from a fixed point with coordinates given by differential GPS in the entrance of a gallery, and surveyed within the gallery using Brunton compass and measuring tape.
Drilling techniques	• *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).*	• No drilling undertaken
Drill sample recovery	• *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.*	• No drilling undertaken

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Criteria	JORC Code explanation	Commentary
Logging	• *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.*	• A description of outcrops and sub-outcrops including rock type, dominant mineralogy, structure and mineralization was recorded. • A brief description of waste dump minerals was recorded. • N-A • N-A
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples as described above were submitted to the analytical laboratory without subsampling. • Samples were logged into the laboratory tracking system, weighed as received, crushed so 70% < 2 mm, split and ¼ of the split sample pulverized so 85 % < 75 µm). Aliquots of pulverized samples were subject to Multi-Element Analysis by Sodium Peroxide Fusion and ICP-MS (ME-MS91) and Li Analysis by Sodium Peroxide Fusion and ICP-ES (ME-ICP82b). • Sample sizes were appropriate for grain size of material sampled considering the specific targeted nature of the sampling for spodumene.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• The Peroxide Fusion digestion is a specialized and appropriate method for accurately measuring ore grade Lithium content. • Standards and blanks were submitted with the samples for analysis.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Sample data were recorded on field logging sheets and data entered into a digital MS Access database. • Analysis is checked by the use of certified reference materials • Data is recorded on both paper and electronic formats with back up

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Criteria	JORC Code explanation	Commentary
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All samples measurement locations and rock outcrop locations were located using a handheld GPS and are accurate ± 5m, but referenced to a number of fix points surveyed by differential GPS. • Reference system used was Gaus Kruger Zone 2 – Campo Inchauspe (Argentina reference coordinates)
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Rock chip samples were collected from specific outcrops of pegmatite generally on a regular spacing of 2 meters. The nature of the sampling was to assess lithium and other elements contained in the pegmatites in and around old mine workings and adjacent outcrops. • No sample compositing occurred.
Orientation of data in relation to geological structure	• *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.*	• Rock measurements were taken perpendicular to the strike. • Orientation of measurements is not expected to contribute to sampling bias.
Sample security	• *The measures taken to ensure sample security.*	• Sample security was managed by the Company using industry standard chain of custody procedure. Company geologists and licensed couriers transported the samples from the field to the ALS laboratory for reception.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audit or review of the sampling techniques or data has been undertaken beyond that of normal internal Company procedures and that of the respective Competent Persons in the compilation of this and supporting, separate reports.

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	• *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.*	• Measurements carried out on Las Tapias Mine (file 912-38), La Protectora mine (file 1567-41), Rosita Mine (file 5601/58), San Telesforo Mine (file 1698/41), San Jose(file 5445/57), San Jose II (file 10874/04) and tenement (file 2013/2016) which is held by Dark Horse under an Option Agreement with Pampa Litio SA (ASX Announcement October 2016). • N-A.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• 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	• *Deposit type, geological setting and style of mineralisation.*	• Mineralization model corresponds to pegmatite within diorites or intruded into low grade metamorphic schists. • In Cordoba province, the project is located in the area of the Achala Batholith, a prominent Devonian aged granite suite that intrudes the central part of the high-grade metamorphic rocks of Sierras de Cordoba. • 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.
Drill hole Information	• *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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole*	• No drilling undertaken

Criteria	JORC Code explanation	Commentary
	○ *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.*	
Data aggregation methods	• *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.*	• N-A
Relationship between mineralisation widths and intercept lengths	• *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').*	• Unknown at this stage
Diagrams	• *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.*	• Plans of outcrop locations are provided in report.
Balanced reporting	• *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.*	• The release includes defined levels of anomalous results however further sampling is required to validate the tenor of results
Other	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey*	• No new data at this stage.

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Criteria	JORC Code explanation	Commentary
substantive exploration data	*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.*	
Further work	• *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.*	• Satellite image processing, 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
Database integrity	• *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.*	• Not Applicable
Site visits	• *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.*	• Not Applicable
Geological interpretation	• *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.*	• Not Applicable
Dimensions	• *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.*	• Not Applicable

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• *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 description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Not Applicable
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Not Applicable
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Not Applicable
Mining factors or assumptions	• *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.*	• Not Applicable

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *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 made.*	• Not Applicable
Environmental factors or assumptions	• *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.*	• Not Applicable
Bulk density	• *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.*	• Not Applicable
Classification	• *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.*	• Not Applicable

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Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Not Applicable
Discussion of relative accuracy/ confidence	• *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.* • *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.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Not Applicable

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
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• Not Applicable
Site visits	• *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.*	• Not Applicable

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Criteria	JORC Code explanation	Commentary
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *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.*	• Not Applicable
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• Not Applicable
Mining factors or assumptions	• *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).* • *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.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• Not Applicable
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the*	• Not Applicable

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Criteria	JORC Code explanation	Commentary
	corresponding metallurgical recovery factors applied. • *Any assumptions or allowances made for deleterious elements.* • *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.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	
Environmental	• *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.*	• Not Applicable
Infrastructure	• *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.*	• Not Applicable
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *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.*	• Not Applicable
Revenue factors	• *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.*	• Not Applicable
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.*	• Not Applicable

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Criteria	JORC Code explanation	Commentary
	• *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.*	
Economic	• *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.*	• Not Applicable
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• Not Applicable
Other	• *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 on which extraction of the reserve is contingent.*	• Not Applicable
Classification	• *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).*	• Not Applicable
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• Not Applicable

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• *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.*	• 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	• *Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.*	• Not Applicable
Source of diamonds	• *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.*	• Not Applicable
Sample	• *Type of sample, whether outcrop, boulders, drill core, reverse circulation*	• Not Applicable

Criteria	JORC Code explanation	Commentary
collection	*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.*	
Sample treatment	• *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.*	• Not Applicable
Carat	• *One fifth (0.2) of a gram (often defined as a metric carat or MC).*	• Not Applicable
Sample grade	• *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).*	• Not Applicable
Reporting of Exploration Results	• *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 samples.*	• Not Applicable

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Criteria	JORC Code explanation	Commentary
	• *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.*	
Grade estimation for reporting Mineral Resources and Ore Reserves	• *Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.* • *The sample crush size and its relationship to that achievable in a commercial treatment plant.* • *Total number of diamonds greater than the specified and reported lower cut-off sieve size.* • *Total weight of diamonds greater than the specified and reported lower cut-off sieve size.* • *The sample grade above the specified lower cut-off sieve size.*	• Not Applicable
Value estimation	• *Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.* • *To the extent that such information is not deemed commercially sensitive, Public Reports should include:* o *diamonds quantities by appropriate screen size per facies or depth.* o *details of parcel valued.* o *number of stones, carats, lower size cut-off per facies or depth.* • *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.* • *The basis for the price (eg dealer buying price, dealer selling price, etc).* • *An assessment of diamond breakage.*	• Not Applicable
Security and integrity	• *Accredited process audit.* • *Whether samples were sealed after excavation.* • *Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.* • *Core samples washed prior to treatment for micro diamonds.* • *Audit samples treated at alternative facility.* • *Results of tailings checks.*	• Not Applicable

Criteria	JORC Code explanation	Commentary
	• *Recovery of tracer monitors used in sampling and treatment.* • *Geophysical (logged) density and particle density.* • *Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.*	
Classification	• *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.*	• Not Applicable

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