ASX Announcement

5 March 2018

Argentinean Project Update

Lithium & Gold Exploration Progressing to Schedule and Providing Outstanding Results

Dark Horse Resources Limited (ASX:DHR; "DHR", "Dark Horse" or "Company") is pleased to update the market on the status of the Company's project and business activities in Argentina (refer **Figure 1**), including:

- High grade lithium spodumene assays at the 6km long San Luis Mine/El Totoral pegmatite;
- Large, circular Paso del Ray pegmatite feature discovered in central part of El Totoral lease;
- Large, massive spodumene discovered in the northern part of El Totoral lease;
- 5 new Mining Licences acquired in San Luis Province;
- Geophysics assists in defining the Las Tapias pegmatite structure;
- Las Tapias Mine waste dump testing program upgraded;
- Las Tapias Mine drilling program planned to commence during the first half of 2018;
- Spodumene discovered in Leon Herido lease;
- Detailed geological mapping and sampling well underway at the Los Domos Gold project;
- Several new gold projects being evaluated by the Company with an intention to acquire;
- Cashflow management - preserving cash reserves for exploration operations – all Director's fees and in-house corporate administration expenses being accrued.

Pampa Litio Lithium Projects

<u>High grade lithium spodumene assays at the 6km long San Luis Mine/El Totoral pegmatite</u>

Exploration has been underway at the San Luis Mine/El Totoral pegmatite in the El Totoral lease for several months (refer **Figure 2**). There are numerous parallel pegmatites in this area, existing as swarms, which have now been identified over a strike length of 6km. Exploration is initially being carried out on a regional scale to test the pegmatite for the occurrence of spodumene, with areas of interest targeted for detailed follow up work. East-west sections have been created from south to north every 500m to 1km, and detailed geological mapping and representative rock chip channel sampling carried out along these sections to gain an initial appreciation of the lithium contents.

Dark Horse Resources Ltd ACN 068 958 752
Level 27, 111 Eagle Street, Brisbane QLD 4001
P: +61 7 3303 0650 **F:** + 61 7 33030681
E: info@darkhorseresources.com.au
W: www.darkhorseresources.com.au

A total of 105 samples were obtained and to date, 86 samples assayed, the most significant results include (refer **Figure 3**):

- San Luis Mine area – **1.91%**, **1.97%. 0.81%** and **0.44%** Li_2O
- Central area – **1.13%** Li_2O
- Southern area – **2.35%**, **1.71**%, **0.84%**, **0.63%** Li_2O

The assays also returned some high tantalum pentoxide (Ta2O5) values ranging up to 698 ppm.

The complete assay results are included as Annexure A. These results again confirm that shallow surface leaching has likely affected the lithium content of the pegmatite, and that sub-surface exploration techniques will need to be employed to test the area's real potential.

The pegmatite bodies are mostly oriented north-south to northeast-southwest, and range in thickness up to 30m on the surface, with some several hundred metres in length. The pegmatites are finger-like structures at surface and typical pegmatite zoning is evident (wall, border and core). Spodumene is easily observable in old quarries, adits and galleries, but is otherwise relatively scarce at surface, leading to the conclusion that trenching, geophysics and drilling are required to comprehensively determine the area's potential. A preliminary geological model schematic of the El Totoral pegmatite field has been generated and is presented as **Figure 4**.

Exploration is ongoing and the next phase of work includes detailed mapping, sampling and trenching of the areas showing the greatest concentrations of lithium superoxide (Li_2O). Geophysical surveys over the El Totoral pegmatite will be considered, with this future work culminating in the definition of drill targets. Dark Horse is planning to commence immediately following the Las Tapias drill program.

Large, circular Paso del Ray pegmatite feature discovered in central part of El Totoral lease

Geological mapping in the central part of the El Totoral lease has identified a large, circular feature with many longitudinal pegmatite bodies intermixed with granites and pegmatitic granites (refer **Figure 3**). The feature has an axis oriented northeast to southwest with a surface length of 5-6km and a width 3-4km. Some sampling has been made, though field work is preliminary at this stage.

Large, massive spodumene discovered in the northern part of El Totoral lease

Reconnaissance mapping in the northern part of the El Totoral lease has defined an area where large and massive spodumene crystals outcrop at surface in old quarry workings (refer **Figure 3** and **Photo 1**). Again, exploration work is preliminary at this stage however, this will be a major focus area of the ongoing program.

5 new Mining Licences acquired in San Luis Province

Dark Horse Resources has executed an Acquisition Agreement for 5 current Mining Licences in San Luis province with Cerro Blanco S.R.L Mining Company, a company which has been operating pegmatite mines for some 30 years, principally producing and selling beryl, spodumene, tantalum, feldspar and quartz. Cerro Blanco has a current contract to sell high grade, direct shipping beryl ore to a Chinese company.

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Dark Horse undertook a preliminary due diligence of the properties and observed pegmatites up to 10m in thickness at surface with spodumene and tantalum within most of the quarries. The mines are Jose Manuel I and II to the south of the Pampa Litio San Martin lease, Jose Manuel III and Ezequiel Mario within the San Martin lease, and Cabeza de Novillo within the Pampa Litio Novillo Negro lease (refer **Figure 5**).

The acquisition price is a total of USD150,000 cash, paid as USD50,000 up-front, followed by USD25,000 per annum for two years, together with the engagement of the geologist-owner of Cerro Blanco, Mr Miguel Bauza as an advisor and consultant over a 25-month period at USD2,000 per month. Mr Bauza has significant technical, operating, social and commercial expertise within San Luis province, and in other mining provinces of Argentina, which will compliment Dark Horse's business operations.

Dark Horse will commence detailed exploration within these known mineralised pegmatite areas and then expand the activities by following the pegmatites out into the Pampa Litio exploration licences.

Geophysics assists in defining the Las Tapias pegmatite structure

Preliminary results of the trial Continuous Magnetic Survey program, which was carried out during December 2017, have been received from the consulting geophysics company ALH Geofisica. Results from the High Resolution Resistive Electrical Tomography are expected to be available shortly.

A composite diagram with the results of the magnetic survey, overlain with the pegmatite, quarry and underground workings, is included as **Figure 6**. The results generally show a magnetic high over the pegmatite body, although as there is some mine waste material within the quarry, the results are not pervasive. Several north-east structures are evident in the magnetics, and geological mapping has proven these to be normal faults, which displace the pegmatite body. Further interpretation work will be completed in conjunction with the resistivity before final conclusions are drawn as to the usefulness of these techniques for applying in other Pampa Litio areas.

Las Tapias Mine waste dump testing program upgraded

A recent survey of the major north-western and south-eastern waste dumps at the Las Tapias Mine, each expected to be approximately one million tonnes in size, has shown the dumps to be up to 70m thick, with a large proportion of the dump around 40m thick. This has resulted in a change to the planned bulk testing program, away from simple shallow trenching, to facilitate a more comprehensive, deeper testing process. Accordingly, RC drilling and/or large diameter coring is now being considered, and discussions are underway with a drilling contractor to implement this program.

Assay results from the earlier surface sampling of the dumps proved there is significant grades of lithium in some of these dumps and they deserve comprehensive testing to determine more representative grading throughout. These waste dumps are easily accessible and could be mined in a straight forward open-cut manner utilising small excavators and trucks within the current mining licence permits.

Las Tapias Mine drilling program planned to commence in the first half of 2018

The Las Tapias Mine drilling permit application is expected to be issued by the governmental authority prior to the planned commencement of drilling during the first half of 2018. Twenty-five holes for a total of 3,000 metres are planned, with most holes expected to be 100 to 150 metres deep.

Some deeper holes will be drilled to fully test the depth extension of the mineralised pegmatite. A drilling contract is being finalised with Conosur Mining Services and Energold Argentina. 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. Should the results prove a reasonably sized resource with satisfactory grade, Dark Horse will immediately proceed to a pre-feasibility study stage.

Spodumene discovered in Leon Herido lease

Reconnaissance exploration is progressing throughout the San Luis lease portfolio. The results of the work in the El Totoral lease have been described above. In addition to the work associated with the new ML acquisitions in San Martin and Novillo Negro leases, some work has been carried out in the northern Leon Herido lease which covers historical spodumene mines in the Los Chañares pegmatite field (**Figure 2**). Included are three of the oldest spodumene mines in San Luis - La Totora, Don Pancho and Leon Herido. The Leon Herido pegmatite contains spodumene rock contents of up to 50% in volume. The crystals observed have sizes up to 30cm in length (**Photo 2a & b**). They are widespread in an LCT-type sub vertical pegmatite (quartz, albite spodumene). Preliminary work has discovered a number of pegmatites of widths up to 4m and lengths of 100m.

Sampling and assay results from previous Pampa Litio work provided the following significant results as reported in the Company's market release of 5 October 2016:

- León Herido: **3.9% Li_2O**
- La Totora: **0.54% Li_2O**
- Don Pancho: **2.8% Li_2O**
- Agua Dorada: **4.0% Li_2O**
- La Bomba: **0.3% Li_2O**

Dark Horse will focus on additional mapping and sampling in these historic mine areas and follow the pegmatites out into the exploration licence to test their extension and to locate additional mineralised pegmatites.

Gold Projects

Detailed geological mapping and sampling well underway at the Los Domos gold project

Detailed geological mapping, lag (soil) sampling and rock chip sampling has been carried out at the La Punta project within the Los Domos lease in Santa Cruz province since the beginning of 2018. The Company is waiting to receive the assay results of these samples and will report results once received.

A detailed geological map of the La Punta project at a scale of 1:5,000 is being advanced, identifying lithological units, structure and mineralization. The deposit shows strong indications of a mineralized rhyolitic dome - epithermal vein system. Several photos of mineralized epithermal vein and breccia rocks are included as **Photos 3a & b.** Dark Horse plans to continue this mapping and sampling program through until April 2018 to cover the complete Los Domos project area, where several other epithermal targets exist. Geophysical surveys of IP and resistivity over the most important targets are planned to follow this mapping work and be completed before winter (end of May 2018).

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Geological evaluation work will be carried out over the winter period, which is expected to identify a number of drill targets for drilling commencement in spring (September-October 2018).

Several new gold projects being evaluated by the Company with an intention to acquire.
Several new Gold projects are being evaluated by the Company with an intention to acquire to meet the Company's objectives of being a substantial gold player in Argentina.

Corporate Update

As announced on 1 March 2018, the Company's Executive Director Mr David Mason has now transitioned into the role on a full-time basis. As has been the case to date, Mr Mason has agreed to continue to accrue his salary to preserve the Company's treasury for project related expenditures. The Non-Executive Directors, the Company Secretary and DGR Global have agreed to continue to do the same at this time. The loans previously made available to the Company by Mr Stuart, Mr Mason and DGR Global are intended to be repaid by way of share issue, and the parties intend to seek shareholder approval for this at an upcoming EGM. The materials are currently with the regulators for approval. This is designed to continue to preserve treasury for project related work, and to consolidate the alignment of the Board with shareholder-driven outcomes.

Following on from the Company's previous announcement regarding the formation of a separate energy-focussed company (Dark Energy Holdings Pty Ltd), preliminary project scoping and conceptualisation work has been taking place in relation to potential project opportunities in Queensland, Victoria and Argentina.

Future Work and Reporting

Dark Horse is advancing its Lithium and Gold exploration and development programs in a systematic, comprehensive and prudent way to enable the Company to meet its principal objectives of:

1. being a miner of spodumene ore and producing high grade lithium hydroxide within Argentina;
2. discovering and defining a portfolio of multi-million-ounce gold resources within Argentina.

The current expected milestones and subsequent reporting for the next few months are:

- Continue to update the market on the Company's Lithium and Gold exploration progress and results throughout its large portfolio of tenure.
- Finalise bulk sample plans for the Las Tapias waste dumps.
- Report the final geophysical survey interpretations for Las Tapias.
- Prepare the drilling program for Las Tapias and get it underway.
- Report sample assay results, including the lag samples, from the La Punta (Los Domos) gold project, and provide a detailed geological map.
- Implement geophysical programs over the La Punta (Los Domos) gold project.
- Continue review and ranking of gold prospects acquired as part of the PROAR tenement package.
- Continue to review projects being offered and / or made available via a network of Latin American mining industry contacts established by Dark Horse Directors Neil Stuart and David Mason.

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The Company's Managing Director, Mr David Mason will be at PDAC in Toronto Canada this week, where Dark Horse Resources has a booth (#3149). An updated corporate presentation will be made available to the market shortly.

The Company will continue to update the market as results from field activities and assay laboratories become available.

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:

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

Karl Schlobohm
Company Secretary, Dark Horse Resources Ltd
Ph: 07 3303 0661

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 a range of projects in Argentina, predominantly in lithium and gold.

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.

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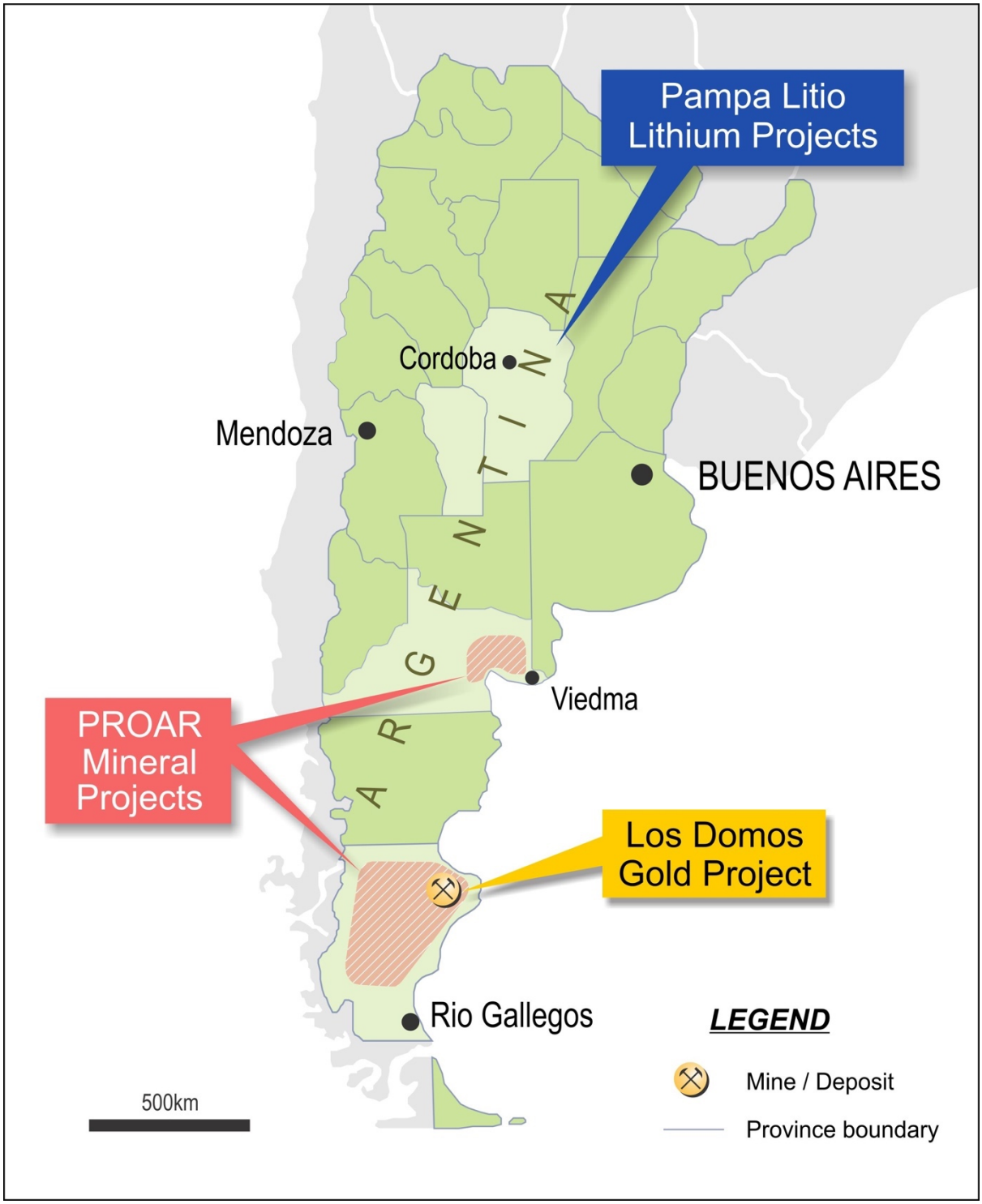

Figure 1 – Location of Dark Horse's mineral projects in Argentina.

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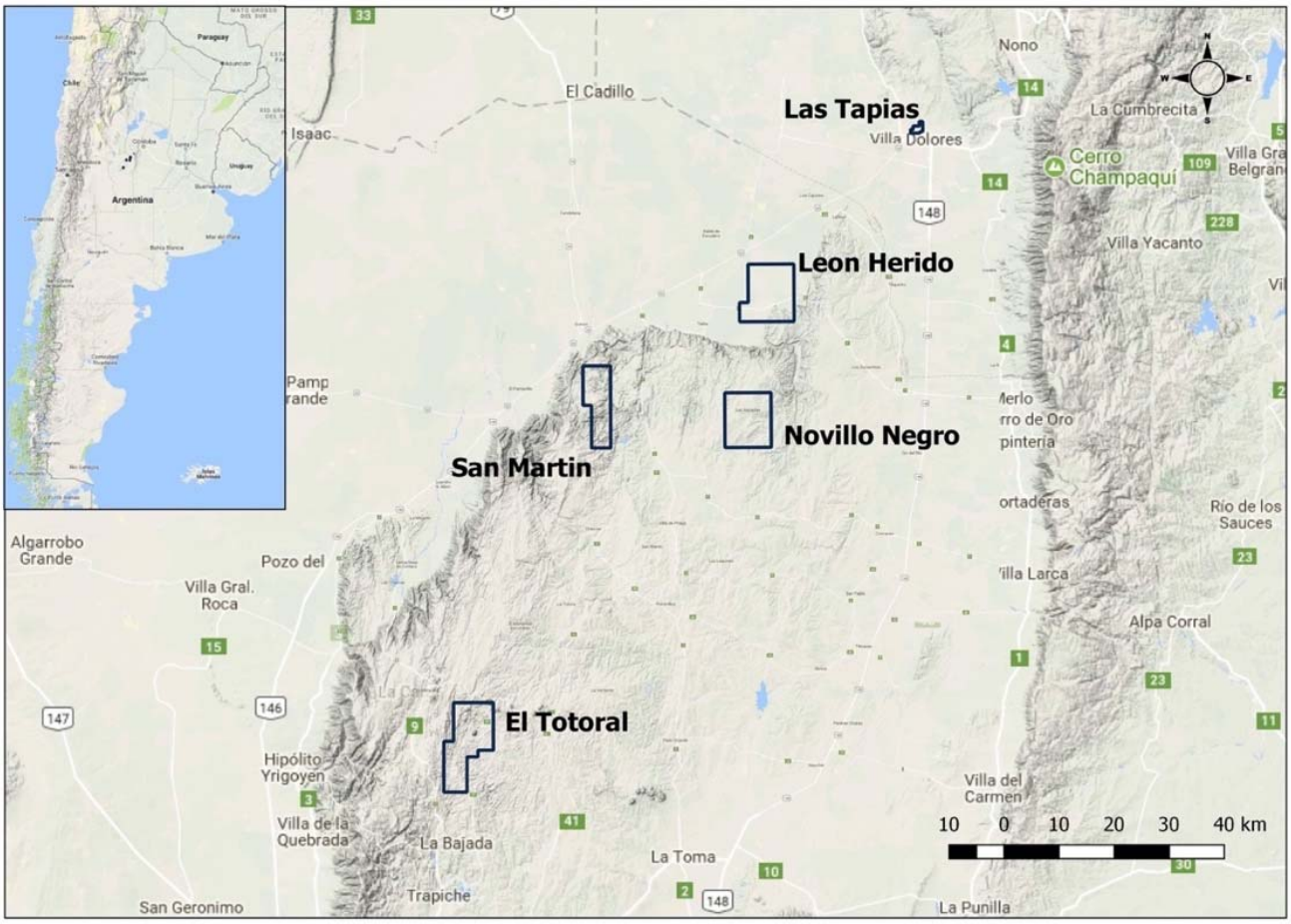

Figure 2 – The Pampa Litio suite of leases in San Luis province and Las Tapias in Cordoba province.

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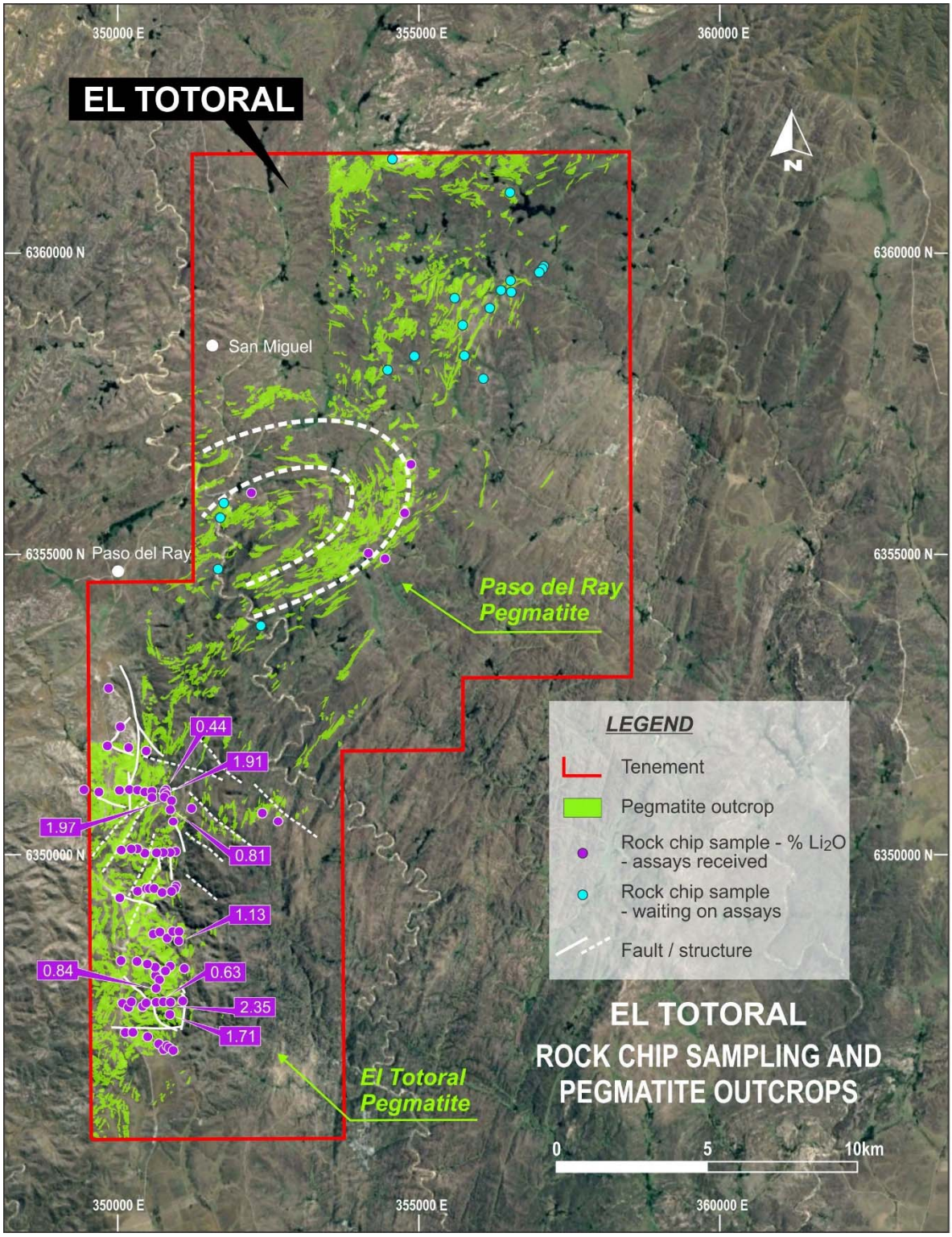

Figure 3 – Pegmatite bodies (green) and representative rock chip sampling points in the El Totoral lease in the San Luis province. Significant assay results (purple) from the El Totoral pegmatite. Paso del Ray circular pegmatite discovered in centre of lease.

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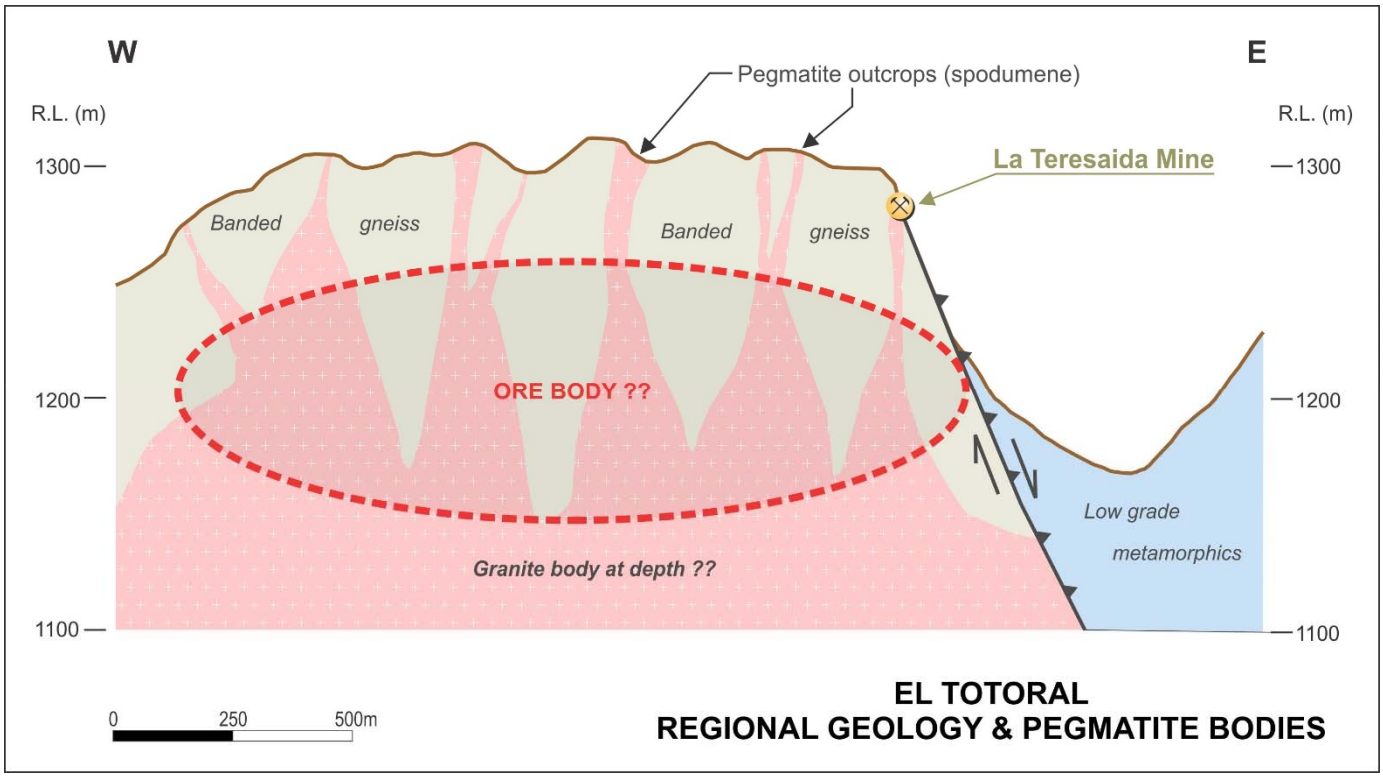

Figure 4 – A preliminary geological model schematic of the El Totoral pegmatite field.

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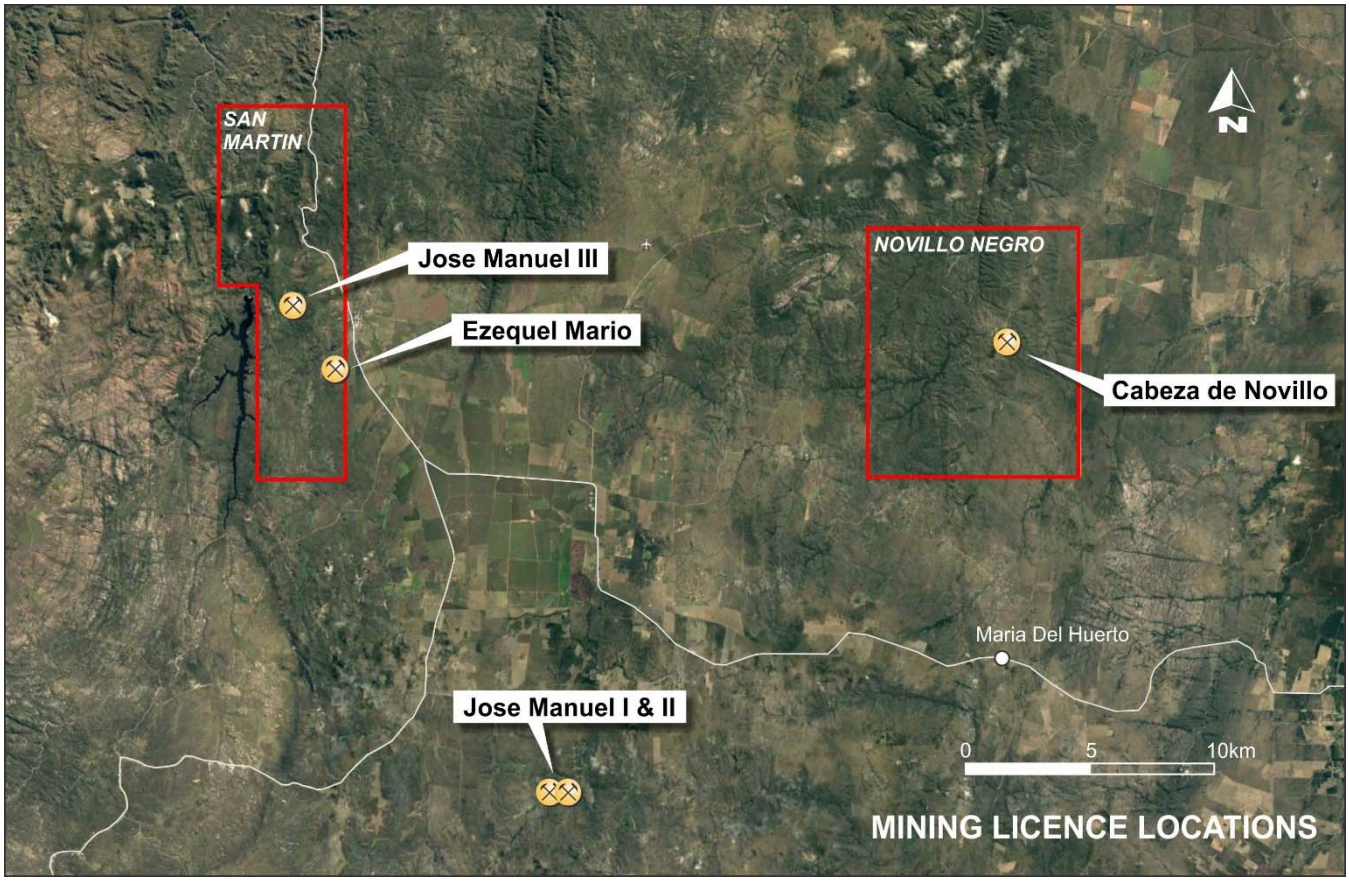

Figure 5 – The 5 new Mining Licences acquired by the Company in San Luis province.

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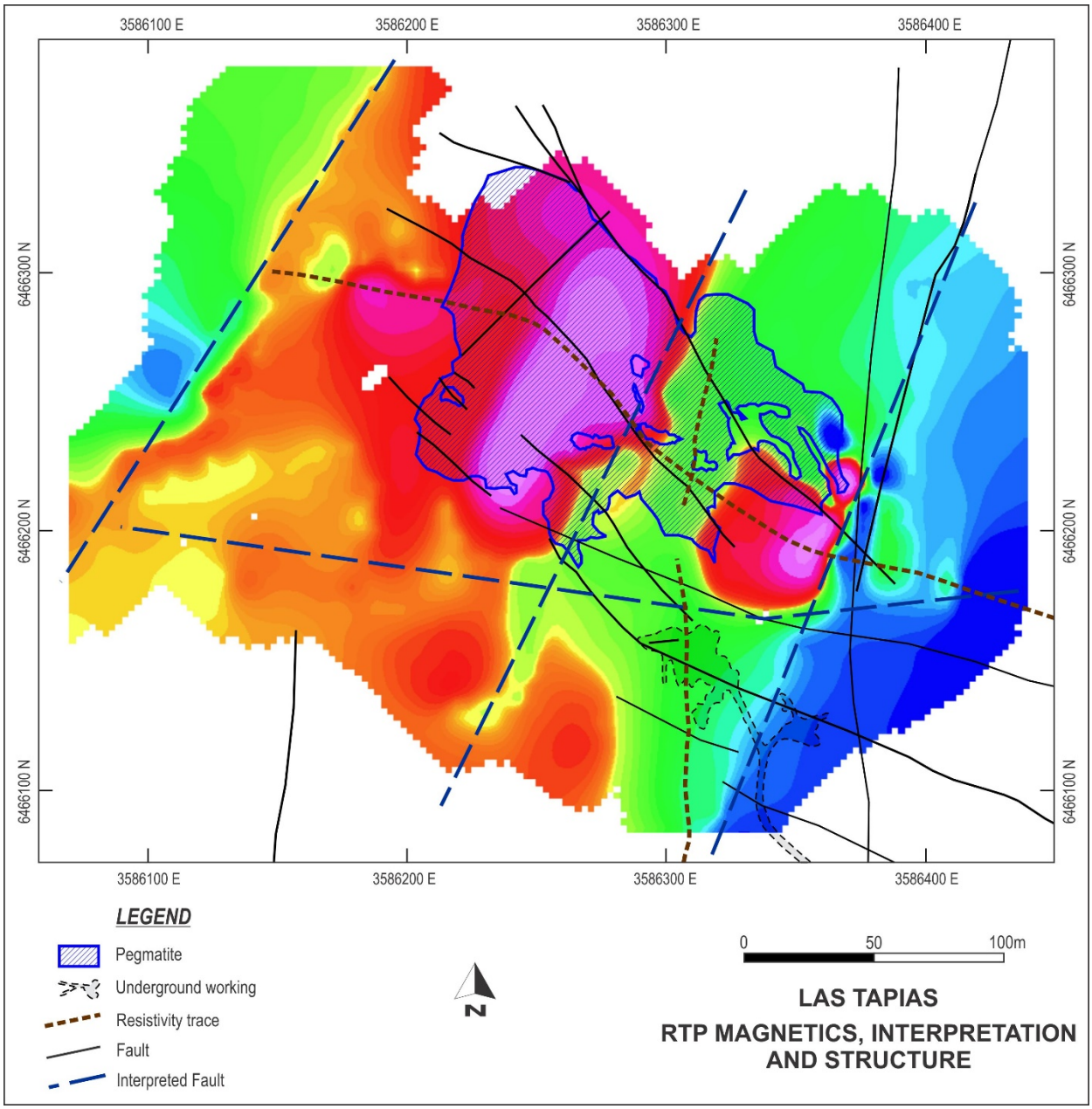

Figure 6 – A composite diagram with the results of the magnetic survey, overlain with the pegmatite, quarry and underground workings at Las Tapias.

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Photo 1 – Large spodumene crystals discovered with pegmatites in the northern part of the El Totoral lease.

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Photo 2a & b – Massive spodumene crystals discovered within pegmatites in the Leon Herido lease.

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Photo 3a & b – Epithermal breccia (above) and vein (below) rock samples from the La Punta gold-silver prospect in the Los Domos lease in Santa Cruz province.

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Annexure A – Full Table of Rock Chip Sample Results

Sample	Type	Where	East	North	Length	Li ppm	Li_2O%	Ta ppm	Ta2O5 ppm
A-1207	Rock Chip	Surface	3504085	6345445	2	7	0.002	0.21	0.26
A-1208	Rock Chip	Surface	3500843	6347095	2	161	0.035	183.5	224.07
A-1209	Rock Chip	Surface	3500808	6347092	2	52	0.011	35.2	42.98
A-1210	Rock Chip	Surface	3500678	6348400	3	162	0.035	30.7	37.49
A-1211	Rock Chip	Surface	3500672	6348273	2	78	0.017	572	698.47
A-1212	Rock Chip	Surface	3500707	6348238	2	300	0.065	3.46	4.23
A-1213	Rock Chip	Surface	3500668	6348065	2	3880	0.835	31.9	38.95
A-1214	Rock Chip	Surface	3501116	6347848	2	118	0.025	292	356.56
A-1215	Standard					3240	0.697	465	567.81
A-1216	Rock Chip	Surface	3500908	6347835	2	10900	2.346	35.9	43.84
A-1217	Rock Chip	Surface	3500915	6350313	2	167	0.036	48.3	58.98
A-1218	Rock Chip	Surface	3500967	6350835	2	202	0.043	41.7	50.92
A-1219	Rock Chip	Surface	3500918	6351036	2	3770	0.812	17.9	21.86
A-1220	Rock Chip	Surface	3500852	6351258	2	9170	1.974	19.15	23.38
A-1221	Rock Chip	Surface	3500837	6351325	2	1350	0.291	46.4	56.66
A-1222	Blank					23	0.005	0.54	0.66
A-1223	Rock Chip	Surface	3501048	6348889	2	5240	1.128	182	222.24
A-1224	Rock Chip	Surface	3501048	6348852	2	860	0.185	111.5	136.15
A-1225	Rock Chip	Surface	3500901	6347074	2	165	0.036	62.8	76.69
A-1226	Rock Chip	Surface	3500890	6347075	2	24	0.005	2.48	3.03
A-1227	Rock Chip	Surface	3500723	6347140	2	21	0.005	3.22	3.93
A-1228	Rock Chip	Surface	3500523	6347255	2	21	0.005	1.06	1.29
A-1229	Rock Chip	Surface	3500285	6347329	2	119	0.026	5.07	6.19
A-1230	Rock Chip	Surface	3500155	6347324	2	24	0.005	7.27	8.88
A-1231	Rock Chip	Surface	3500202	6347742	2	11	0.002	0.3	0.37
A-1232	Rock Chip	Surface	3500445	6347770	2	52	0.011	3.2	3.91
A-1233	Rock Chip	Surface	3500897	6347633	2	7950	1.711	58.8	71.80
A-1234	Rock Chip	Surface	3500897	6347633	2	230	0.050	6.49	7.92
A-1235	Rock Chip	Surface	3500965	6347839	2	250	0.054	8.18	9.99
A-1236	Rock Chip	Surface	3500800	6347838	2	2920	0.629	2.3	2.81
A-1237	Rock Chip	Surface	3500661	6347829	2	132	0.028	7.17	8.76
A-1238	Rock Chip	Surface	3500516	6347806	2	41	0.009	1.33	1.62
A-1239	Rock Chip	Surface	3500261	6347838	2	182	0.039	5.85	7.14
A-1240	Rock Chip	Surface	3500110	6347816	2	60	0.013	1.31	1.60
A-1241	Standard					3330	0.717	416	507.98
A-1242	Rock Chip	Surface	3501139	6348396	2	86	0.019	120	146.53
A-1243	Rock Chip	Surface	3500909	6348430	2	106	0.023	64.5	78.76
A-1244	Rock Chip	Surface	3500824	6348353	2	166	0.036	57.3	69.97
A-1245	Rock Chip	Surface	3500825	6348349	2	60	0.013	12.45	15.20
A-1246	Rock Chip	Surface	3500524	6348469	2	68	0.015	1.88	2.30
A-1247	Rock Chip	Surface	3500356	6348501	2	54	0.012	12.3	15.02
A-1248	Rock Chip	Surface	3500090	6348524	2	18	0.004	2.03	2.48
A-1249	Rock Chip	Surface	3501056	6349004	2	132	0.028	19.2	23.45
A-1250	Rock Chip	Surface	3500953	6349002	2	47	0.010	11.15	13.62
A-1251	Rock Chip	Surface	3500856	6348898	2	161	0.035	16.35	19.96
A-1252	Rock Chip	Surface	3500739	6348994	2	116	0.025	78.7	96.10
A-1253	Rock Chip	Surface	3500627	6348965	2	36	0.008	2.64	3.22
A-1254	Rock Chip	Surface	3500991	6349706	2	240	0.052	206	251.55
A-1255	Rock Chip	Surface	3500998	6349727	2	39	0.008	74.7	91.22

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Annexure A – Full Table of Rock Chip Sampling Results (Continued)

A-1256	Rock Chip	Surface	3500936	6349661	2	68	0.015	19.65	23.99
A-1257	Rock Chip	Surface	3500774	6349649	2	42	0.009	48.3	58.98
A-1258	Standard					1840	0.396	731	892.62
A-1259	Rock Chip	Surface	3500638	6349709	2	21	0.005	2.14	2.61
A-1260	Rock Chip	Surface	3500560	6349718	2	126	0.027	2.45	2.99
A-1261	Rock Chip	Surface	3500501	6349711	2	28	0.006	5.99	7.31
A-1262	Rock Chip	Surface	3500371	6349669	2	15	0.003	0.86	1.05
A-1263	Rock Chip	Surface	3501003	6350332	2	55	0.012	43.1	52.63
A-1264	Rock Chip	Surface	3500803	6350316	2	91	0.020	21.8	26.62
A-1265	Rock Chip	Surface	3500686	6350312	2	33	0.007	15.4	18.80
A-1266	Rock Chip	Surface	3500495	6350307	2	43	0.009	21.6	26.38
A-1267	Rock Chip	Surface	3500370	6350376	2	47	0.010	2.07	2.53
A-1268	Rock Chip	Surface	3500264	6350379	2	36	0.008	0.4	0.49
A-1269	Rock Chip	Surface	3500104	6350356	2	27	0.006	3.36	4.10
A-1270	Blank					-2	0.000	<0.04	
A-1271	Rock Chip	Surface	3500074	6349561	2	9	0.002	3.73	4.55
A-1272	Rock Chip	Surface	3502448	6350994	2	5	0.001	1.34	1.64
A-1273	Rock Chip	Surface	3502707	6350849	2	<2		0.04	0.05
A-1274	Rock Chip	Surface	3501268	6351062	2	29	0.006	16.95	20.70
A-1275	Rock Chip	Surface	3500939	6351192	2	330	0.071	157.5	192.32
A-1276	Rock Chip	Surface	3500841	6351244	2	8870	1.909	5.04	6.15
A-1277	Rock Chip	Surface	3500847	6351364	2	2060	0.443	19.15	23.38
A-1278	Rock Chip	Surface	3500617	6351238	2	35	0.008	1.61	1.97
A-1279	Rock Chip	Surface	3500604	6351347	2	23	0.005	1.03	1.26
A-1280	Rock Chip	Surface	3500495	6351341	2	86	0.019	1.91	2.33
A-1281	Standard					1820	0.392	742	906.06
A-1282	Rock Chip	Surface	3500377	6351365	2	27	0.006	0.83	1.01
A-1283	Rock Chip	Surface	3500240	6351373	2	30	0.006	0.65	0.79
A-1284	Rock Chip	Surface	3500080	6351362	2	16	0.003	0.29	0.35
A-1285	Rock Chip	Surface	3499490	6351370	2	14	0.003	2.27	2.77
A-1286	Rock Chip	Surface	3499734	6351329	2	25	0.005	6.48	7.91
A-1287	Rock Chip	Surface	3500522	6352009	2	20	0.004	1.15	1.40
A-1288	Rock Chip	Surface	3500234	6352070	2	55	0.012	1.38	1.69
A-1289	Rock Chip	Surface	3499877	6352098	2	36	0.008	1	1.22
A-1290	Rock Chip	Surface	3500098	6352410	2	46	0.010	0.81	0.99
A-1291	Rock Chip	Surface	3499898	6353050	2	41	0.009	1.63	1.99
A-1292	Rock Chip	Surface	3502284	6356249	2	30	0.006	0.52	0.63
A-1293	Standard					3500	0.753	461	562.93
A-1294	Rock Chip	Surface	3504924	6356724	2	27	0.006	0.94	1.15
A-1295	Rock Chip	Surface	3504924	6356724	2	30	0.006	0.53	0.65
A-1296	Rock Chip	Surface	3504819	6355924	2	41	0.009	1.68	2.05
A-1297	Rock Chip	Surface	3504493	6355175	2	79	0.017	7.23	8.83
A-1298	Rock Chip	Surface	3504210	6355255	2	32	0.007	0.68	0.83
A-1299	Rock Chip	Surface	3504221	6355267	2	17	0.004	0.37	0.45

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P: +61 7 3303 0650 **F:** + 61 7 33030681
E: info@darkhorseresources.com.au
W: www.darkhorseresources.com.au

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 105 rock chip samples taken from surface with 86 assay results received to date. Results also relate to visual observations and surface measurements of rock wall faces in historic quarries and shallow underground workings, and rock outcrops. • The surface rock chip sample 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 3m, which is sufficient for the scope of the sample results.
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.*	• No drilling undertaken

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Criteria	JORC Code explanation	Commentary
	• *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.*	
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. • 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.

Criteria	JORC Code explanation	Commentary
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
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 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.

Criteria	JORC Code explanation	Commentary
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 within the tenement (file 48-R-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 granites or intruded into low grade metamorphic. • Both in Cordoba province and San Luis provinces, the projects are 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

Criteria	JORC Code explanation	Commentary
		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* o *down hole length and interception depth* o *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.*	• No drilling undertaken
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	• *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*	• Unknown at this stage

Criteria	JORC Code explanation	Commentary
intercept lengths	*known').*	
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 substantive exploration data	• *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.*	• No new data at this stage.
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, soil and rock chip sampling, trench sampling, geophysical surveying 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.*	• Not Applicable

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W: www.darkhorseresources.com.au

Criteria	JORC Code explanation	Commentary
	• *Data validation procedures used.*	
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
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.*	• Not Applicable

Criteria	JORC Code explanation	Commentary
	• *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.*	
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
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

Criteria	JORC Code explanation	Commentary
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
Audits or reviews	• *The results of any audits or reviews of Mineral Resource 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 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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Level 27, 111 Eagle Street, Brisbane QLD 4001
P: +61 7 3303 0650 **F:** + 61 7 33030681
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W: www.darkhorseresources.com.au

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

Criteria	JORC Code explanation	Commentary
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 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?*	• Not Applicable
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.*	• Not Applicable

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Criteria	JORC Code explanation	Commentary
	• *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	• *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.* • *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.*	• Not Applicable
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*	• Not Applicable

Criteria	JORC Code explanation	Commentary
	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.	
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
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.*	• Not Applicable

Criteria	JORC Code explanation	Commentary
	• *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.*	

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 collection	• *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.*	• Not Applicable
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

Criteria	JORC Code explanation	Commentary
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.* • *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.*	• Not Applicable
Grade estimation for reporting	• *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.*	• Not Applicable

Criteria	JORC Code explanation	Commentary
Mineral Resources and Ore Reserves	• *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.*	
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.* • *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.*	• Not Applicable

Criteria	JORC Code explanation	Commentary
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

DARK HORSE RESOURCES

Dark Horse Resources Ltd ACN 068 958 752
Level 27, 111 Eagle Street, Brisbane QLD 4001
P: +61 7 3303 0650 **F:** + 61 7 33030681
E: info@darkhorseresources.com.au
W: www.darkhorseresources.com.au