



26 July 2018

Ms Rupa Kapadia
Adviser, Listings
Australian Securities Exchange Ltd
20 Bridge Street
Sydney NSW 2000

Sent Via Email: rupa.kapadia@asx.com.au

Dear Rupa

Response to Aware Query

Reference made to your letter dated 25 July 2018 ("ASX Aware Letter") in relation to Dark Horse Resources' (ASX:DHR) ("Dark Horse" or "the Company") announcement entitled "Argentine Lithium Projects Update" released on the ASX Market Announcements Platform on the same day. ("announcement"). Unless defined below, terms defined in the ASX Aware Letter have the same meaning in this letter.

The Company responds to each of your queries as follows:

1. When did DHR first become aware of the Relevant Information?

The Relevant Information comprises a summary of progressive results from a partially completed first drill program at Las Tapias. The program planned has not been completed at this stage, but Dark Horse felt it appropriate to provide a market update when it had received sufficient assay results and interpreted the same.

The assay results were received by the Company's Argentine Country Manager and Exploration Manager on the afternoon of Tuesday 17 July 2018 from ALS Argentina (Argentine time). The Exploration Manager commenced compiling the assay results data later that day.

On Wednesday 18 July 2018 the data was cross checked with the actual core samples, which are stored in core boxes at the Las Tapias project work site, by the exploration team under the supervision of the Exploration Manager. On Thursday 19 July the exploration team showed this core cross check work to the Managing Director, Country Manager and the Argentine Consultant Geologist. The assay database was provided to the Managing Director by the Exploration Manager on Thursday 19 July afternoon with the proviso that QC/QA had yet to be completed and that the results were therefore preliminary (all Argentine time). Later on Thursday 19 July 2018, the assay database was provided to the Argentine Consultant Geologist for review and evaluation.

The assay data was provided to the technical DHR Directors and Australian Consultant on Monday 23 July for review and comment (Australian time).



Level 27, 111 Eagle Street, Brisbane QLD 4001
PO Box 5261, Brisbane QLD 4001
P: +61 7 3303 0650
F: +61 7 3303 0681

ASX Code: **DHR**
ACN: 068 958 752
E: info@darkhorseresources.com.au
W: www.darkhorseresources.com.au



The Exploration Manager confirmed the assay data QC/QA had been completed and the results could be used for formal evaluation and subsequent reporting on Monday 23 July (Argentine time).

The results were then analysed, evaluated, plotted as per usual industry practice throughout Tuesday 24 July. Discussions were held the same day amongst DHR directors and management and interpretations and conclusions were made for use in the forthcoming ASX release.

- 2. Does DHR consider the Relevant Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Yes, as it details results from assays received to date.

- 3. If the answer to question 2 is “no”, please advise the basis for that view.**

Not applicable.

- 4. If the answer to question 2 is “yes” and DHR first became aware of the Relevant Information before the Relevant Date, did DHR make any announcement prior to the Relevant Date which disclosed the Relevant Information? If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe DHR was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what steps DHR took to ensure that the Relevant Information was released promptly and without delay.**

The information comprising the Relevant Information consists of the first batch of assays results associated with the Las Tapias drilling program. There have been other batches of samples sent to the laboratory but no other assays have been received by the Company at this time. The samples for this first batch assay results were sent from the Las Tapias project site on 6 June 2018 to the ALS Argentine laboratory in Mendoza. ALS first raised a work order for these samples on 18 June 2018. ALS prepare the samples in Argentina and then send the samples outside the country to another ALS laboratory (usually either Canada or Australia). ALS does not have the analytical facilities in Argentina to carry out the required lithium assay testing. The time from original dispatch of the samples from the project site to the time of receiving the assay results can be up to 6 weeks in duration.

Because of the delays in receiving assays, Dark Horse considered it inappropriate, having regard to the incomplete status of drilling results on only part of a planned program, to release results prematurely.

Once a sufficient level of assay results had been received and interpreted, Dark Horse promptly prepared a market release which was considered and approved by the board and then provided the Relevant Information to the market.

- 5. Please confirm that DHR is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

The Company confirm it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.



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6. Please confirm that DHR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DHR with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that the responses provided in this letter have been authorised and approved by the Board.

Yours sincerely

A handwritten signature in blue ink, appearing to read "K. Schlobohm", written over a faint grey rectangular background.

Karl Schlobohm
Company Secretary
Dark Horse Resources Limited



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25 July 2018

Ms Jean Zhao

Assistant Company Secretary
Dark Horse Resources Limited
Level 27, 111 Eagle Street
Brisbane QLD 4000

By email: jzhao@darkhorseresources.com.au

Dear Ms Zhao,

Dark Horse Resources Limited ("DHR"): aware query

ASX Limited ("ASX") refers to the following:

- A. DHR's announcement entitled "*Argentine Lithium Projects Update*" ("Announcement") lodged on the ASX Market Announcements Platform and released at 9:38AM today Wednesday 25 July 2018 ("Relevant Date") which disclosed an update in relation to the lithium projects in Argentina comprising the Las Tapias Mine in Cordoba and the San Luis portfolio of exploration projects ("Relevant Information").
- B. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity"

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.

- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

- E. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, ASX asks DHR to respond separately to each of the following questions and requests for information:

1. When did DHR first become aware of the Relevant Information?
2. Does DHR consider the Relevant Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to question 2 is "no", please advise the basis for that view.
4. If the answer to question 2 is "yes" and DHR first became aware of the Relevant Information before the Relevant Date, did DHR make any announcement prior to the Relevant Date which disclosed the Relevant Information? If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe DHR was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what steps DHR took to ensure that the Relevant Information was released promptly and without delay.
5. Please confirm that DHR is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that DHR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DHR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (**ie before 9.30 a.m. AEST on Friday 27 July 2018**).

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to DHR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that DHR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

Further, if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, DHR's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in this letter and may require DHR to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;

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- how long you want the trading halt to last;
 - the event you expect to happen that will end the trading halt;
 - that you are not aware of any reason why the trading halt should not be granted; and
 - any other information necessary to inform the market about the trading halt, or that we ask for.

We will require the request for the trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in DHR's securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Rupa Kapadia

Adviser, Listings Compliance (Sydney)