



30 January 2020

Dark Horse Resources Ltd
ASX Announcement
Project and Corporate Update

Dark Horse Resources Ltd (**the Company, Dark Horse, ASX:DHR**) is seeking to expand its horizons commencing early 2020 through:

- Acquiring additional precious metals and critical mineral properties in alternative geographic jurisdictions;
- Rationalising the Company's current project portfolio; and
- Sourcing new funding facilities in line with the Company's budget requirements.

Dark Horse remains focussed on developing the potentially high-grade Cachi and Las Opeñas Gold Projects in Argentina, however the Company will reposition itself to meet current Australian and international market expectations. Accordingly, the Company's Argentine Lithium Projects and its Dark Horse Energy subsidiary will not be included in the Company's revised strategy moving forward.

Dark Horse has successfully renegotiated the second Las Opeñas vendor payment, due at the end of December 2019 (12 months after the execution of the Agreement), of US\$110,000 cash and 20 million DHR shares, to a US\$55,000 cash payment (already paid), with the remainder of the cash due end April 2020. The Company will issue the 20 million share consideration shortly. Dark Horse has met the annual expenditure commitments. On fulfilling this vendor payment scheme, Dark Horse will own 25% of the Las Opeñas Project.

Dark Horse intends to utilise its core management strengths to continue to seek out relevant opportunities for the realisation of shareholder value. In this regard, the Company will seek to complement its Argentine Gold Projects with opportunities under consideration in the Americas and Europe, targeting precious and critical metals in high demand, including Gold, Tungsten and Nickel. Several suites of properties have been identified that have suitable geology to allow the definition of commercial-scale resources. These properties are in jurisdictions where a number of major companies have an aggressive exploration presence.

The Company will inform the market as it advances arrangements on these opportunities.

Seeking Funding for Argentina Gold Drilling

Dark Horse has engaged North American firm Red Cloud Financial Services Inc as a financial advisor for the purposes of soliciting interest, structuring and providing financial advice to the Company. Specifically, Red Cloud will support the development of Dark Horse's Argentine Gold Projects through various capital raising transactions including equity and debt fund raising, Joint Venture opportunities and/or alternative financing facilities.





Red Cloud Financial Services is a globally oriented, mineral resource focused financial services platform offering clients an extensive array of corporate access services including advisory, marketing and media. Red Cloud Securities, an affiliate of Red Cloud Financial Services, is a regulated exempt market dealer offering corporate issuers a wide breadth of advisory, investment banking, research, and distribution services.

Red Cloud will be issued 21,560,839 DHR shares in lieu of a 12 months cash retainer payment, the shares escrowed for six months, and shall receive a success fee on concluding a suitable financing arrangement.

In the interim, Dark Horse Managing Director David Mason and former Director Neil Stuart have indicated their willingness to provide short-term funding for the Company if required. The Board and Management of the Company continue to accrue all remuneration to be met by way of share issue from time to time as part of the Company's strategy to preserve its treasury.

Disposal of Lithium Projects

As previously announced towards the end of 2019, Dark Horse decided not to increase its participation in Lithium Spodumene company Pampa Litio SA above 25%, largely because of the reticence of the provincial government to allow advancement of the Company's exploration and development plans.

The technical due diligence of the final leases of the San Jorge Lithium Brine project shows no certainty of concluding in the short to medium term. The Company has shown patience in this matter over the past 18 months without suitable reward or success.

After continued stagnation of the Company's Argentine Lithium assets over the past several years, without the expected near-term success, the Board of Dark Horse has decided to dispose of its Lithium assets and refocus its business principally on precious metals.

Ceasing Energy Business Activities

Dark Horse Energy has not been able to advance any noteworthy energy projects in the two years since its inception, despite the substantial effort made by its Managing Director, Boyd White. With Dark Horse repositioning itself to focus primarily on precious metals in various jurisdictions worldwide, it makes logical sense to cease business activities in the field of energy. A number of cost savings will be made through this strategy.

Investment in Lakes Oil NL (LKO)

The Company will continue to maintain its 30% investment in LKO until such time as LKO has realised the underlying value of its large portfolio of oil and gas prospects.



A handwritten signature in blue ink, appearing to read "K. Schlobohm", with a long horizontal flourish extending to the right.

On behalf of the Board
Mr Karl Schlobohm
Company Secretary

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