



## Quarterly Activities Report for the Period Ended 30 June 2020

### **DARK HORSE RESOURCES LTD**

**ASX Code: DHR**

**Shares on Issue**  
4 billion

**Market Capitalisation**  
A\$8m (at A\$0.002 per share)

#### **Directors**

Nick Mather (Non-Executive Chairman)  
David Mason (Managing Director)  
Brian Moller (Non-Executive Director)  
Jason Beckton (Non-Executive Director)

**Company Secretary**  
Karl Schlobohm

#### **Contact Details**

Level 27, 111 Eagle Street  
Brisbane Qld 4000  
Tel: +61 7 3303 0650  
Fax: +61 7 3303 0681

[www.darkhorseresources.com.au](http://www.darkhorseresources.com.au)

[Twitter: @ASX\\_DHR](https://twitter.com/ASX_DHR)

### **HIGHLIGHTS**

#### **FINLAND GOLD PERMIT ACQUISITION**

- Execution of Term Sheet to acquire 100% of seven (7) Gold Exploration Permits in Finland and seven (7) Tungsten Exploration Permits in Sweden for a total consideration of €150,000 cash payment, plus transaction documentation costs.
- Historical Gold diamond drilling results are very promising particularly at the most advanced prospect, Hopeavouri where 54 shallow diamond holes (3,341m) have been drilled. The drilling at Hopeavouri has only tested to 75-100m below surface with some of the best drillhole intersections reported by Sotkamo including:
  - R305: 11.5m at 19.4 g/t Gold from 30.6m depth;
  - R313: 10.7m at 14.4 g/t Gold from 4.0m depth;
  - R330: 3.0m at 106.7 g/t Gold from 22.0m depth;
- Bench scale metallurgical testing has returned a 93% Gold recovery from sulphide flotation.
- A diamond drilling program is planned once completion occurs, commencement in last quarter 2020, focusing on extending the Hopeavouri high grade Gold prospect.
- The Tungsten portfolio of Exploration Permits include the former Yxsjöberg Mine which accounted for more than 90% of the Tungsten previously produced in Sweden. Tungsten is listed among the European Union's critical raw materials for its supply risk and economic importance.

#### **CAPTIAL RAISE**

- Completion of private placement raising \$675,000 cash, and subsequent to the end of the Quarter an SPP raised a total \$1,532,000, representing \$1,277,000 in cash and \$255,000 in debt converted, sees the Company well-funded to pursue a successful discovery in Finland.

## REVIEW OF PROJECTS AND ACTIVITIES

The Board of Dark Horse Resources Ltd (**the Company, Dark Horse, ASX:DHR**) is pleased to provide a summary of the Company's activities for the quarter ending 30 June 2020.

### Acquisition of Scandinavian Mineral Projects

Dark Horse Resources Ltd (**the Company, Dark Horse, ASX:DHR**) has executed a partially binding Term Sheet with Sotkamo Silver AB (**Sotkamo, NGM: SOSI**) to acquire 100% of the interest in a number of highly prospective Gold Exploration Permits in Finland, the **Tampere Gold Project**, as part of the Company's new strategic direction. Sotkamo's portfolio also includes a group of Tungsten Exploration Permits in Sweden, the **Bergslagen Tungsten Project**, which Dark Horse will also acquire in the deal (refer **Location Map in Figure 1**).



Figure 1: European Gold and Tungsten Project Location Map

## Tampere Gold Project, Finland

Refer to the Company's ASX releases of 9 June 2020 for full details and context for the discussion below.

The Tampere Gold Project consists of seven (7) Exploration Permits in close proximity covering a total area of 286Ha. These are Hopeavuori (2 permits), Isovesi, Järvenpää, Kalliojärvi, Lavajärvi and Metsäkylä (refer **Figure 2**). The project lies within 100km of the city of Tampere, a region which currently hosts three (3) gold mines (Orivesi, Jokisivu and Kaapelinkulma) with a processing facility at Vammala, all operated by Dragon Mining Limited (HKEx: 1712).

These Exploration Permits have been examined by Sotkamo and the Finnish Geological Survey through surface mapping, moraine geochemistry, ground geophysics (magnetics and IP) and diamond drilling. The work has generally been confined to shallow, near surface testing of outcropping mineralization and does not necessarily reflect the true extent of the mineralized structure.

The most advanced prospect is **Hopeavuori where historical results show that 54 shallow diamond holes (3,341m)** have been drilled to evaluate a **mineralized structure 30m wide that extends over the drilled strike length of 300m** (refer **Figure 3**). The **surface geophysics suggests that this zone could extend to the northwest for a total of 800m**. Drilling has only tested to 75-100m below surface. Within this zone there are 132 anomalous mineralized drilling intercepts<sup>1</sup> with some of the best drillhole intersections reported by Sotkamo including:

- R305: **11.5m at 19.4 g/t Gold** from 30.6m depth;
- R313: **10.7m at 14.4 g/t Gold** from 4.0m depth;
- R330: **3.0m at 106.7 g/t Gold** from 22.0m depth.

The mineralization consists of both free gold and gold in sulphide, with the dominant sulphides being arsenopyrite and pyrrhotite. Mineralization contains characteristics of both orogenic and epithermal systems. Historical **bench-scale metallurgical testing has returned a 93% Gold recovery from sulphide flotation**.

The other Tampere Project prospects of Järvenpää, Isovesi, Kalliojärvi, Lavajärvi and Metsäkylä are also indicating good Gold mineralisation potential through historical surface exploration and diamond drilling. Significantly less attention has been given to these areas and Dark Horse believes there is potential for large resources of shallow Gold. In summary:

- **Järvenpää** has 15 diamond drillholes spaced over **1500m of strike length**, all intersecting broad zones of auriferous geochemistry up to **15m in width**. The best single gold assay in drill core is **10.8 g/t Gold**.
- **Isovesi** has 6 drillholes for 506m with best results of **3.7m @ 5.3g/t Gold** and **2m @ 4.8 g/t Gold**.
- **Kalliojärvi** has 38 drillholes for 1,814m over 350m of strike length with best results of **4.3m @ 7.2g/t Gold**, **4.8m @ 6.5 g/t Gold**, **1m @ 15.7g/t Gold** and **3m @ 5.6 g/t Gold**.
- **Lavajärvi** has 17 drillholes for 1,547m. Best results occur in a few holes and include **1m @ 1.7g/t Gold**, **2m @ 1.1 g/t Gold**, **4m @ 1g/t Gold** and **1m @ 1.9 g/t Gold**.
- **Metsäkylä** has 12 drillholes for 1,113m with a best result of **1m @ 27.6g/t Gold**.

<sup>1</sup> Anomalous intercepts are defined as those with an accumulated grade x length value in excess of 1 gram/tonne-meters (g/t-m). At Hopeavuori, there are 132 such intercepts. The potential high grade nature of the Hopeavuori mineralization is reflected in the fact that there are 32 intercepts with accumulations greater than 5g/t-m (with an average of 34 g/t-m) and 4 intercepts with accumulations greater than 50g/t-m (for an average of 188 g/t-m).

No tenement or environmental limitations to developing the Tampere Gold Project have been identified that would hinder any future development. The local civil infrastructure is well established and throughout the country are well-maintained paved roads, including in rural and remote areas, as well as a comprehensive network of railways, canal waterways and sea lanes.

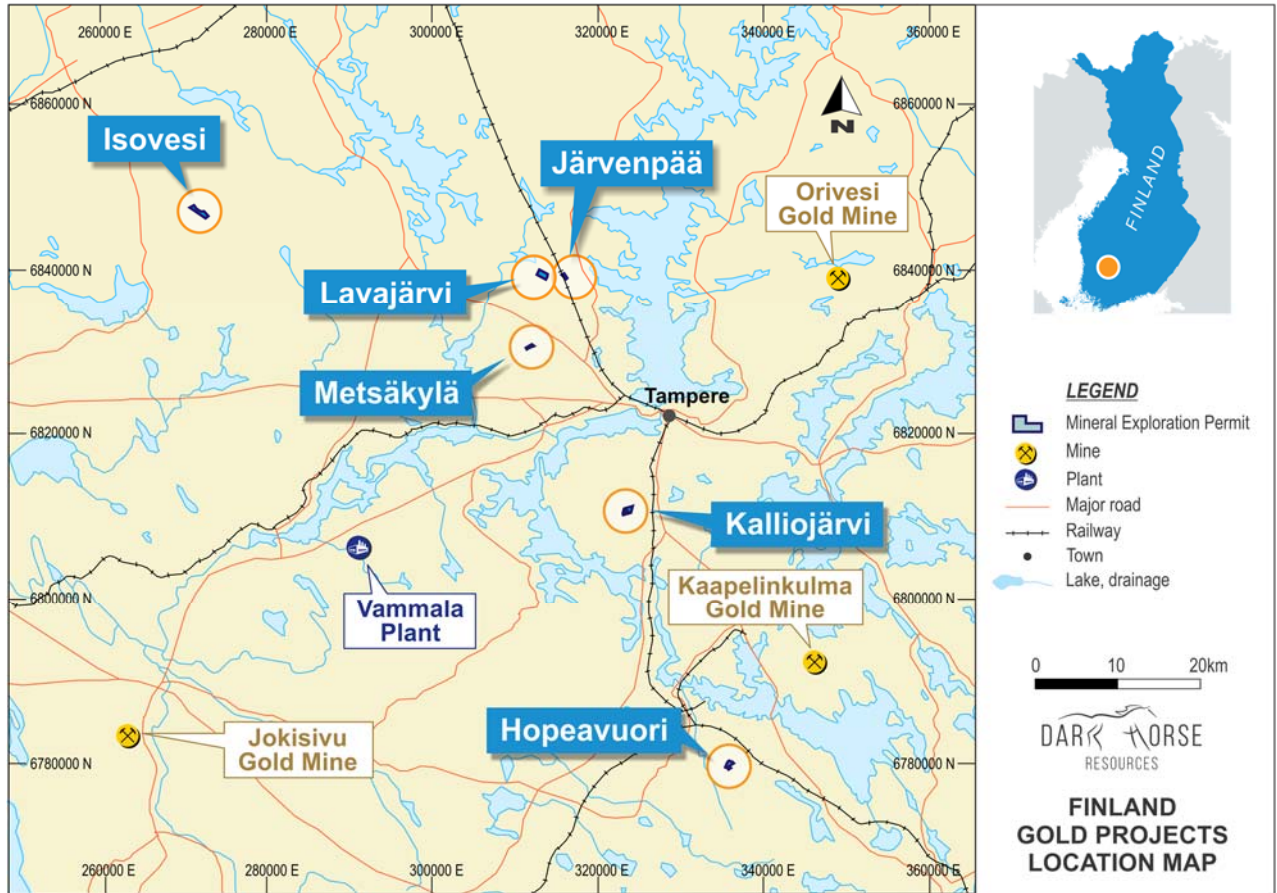
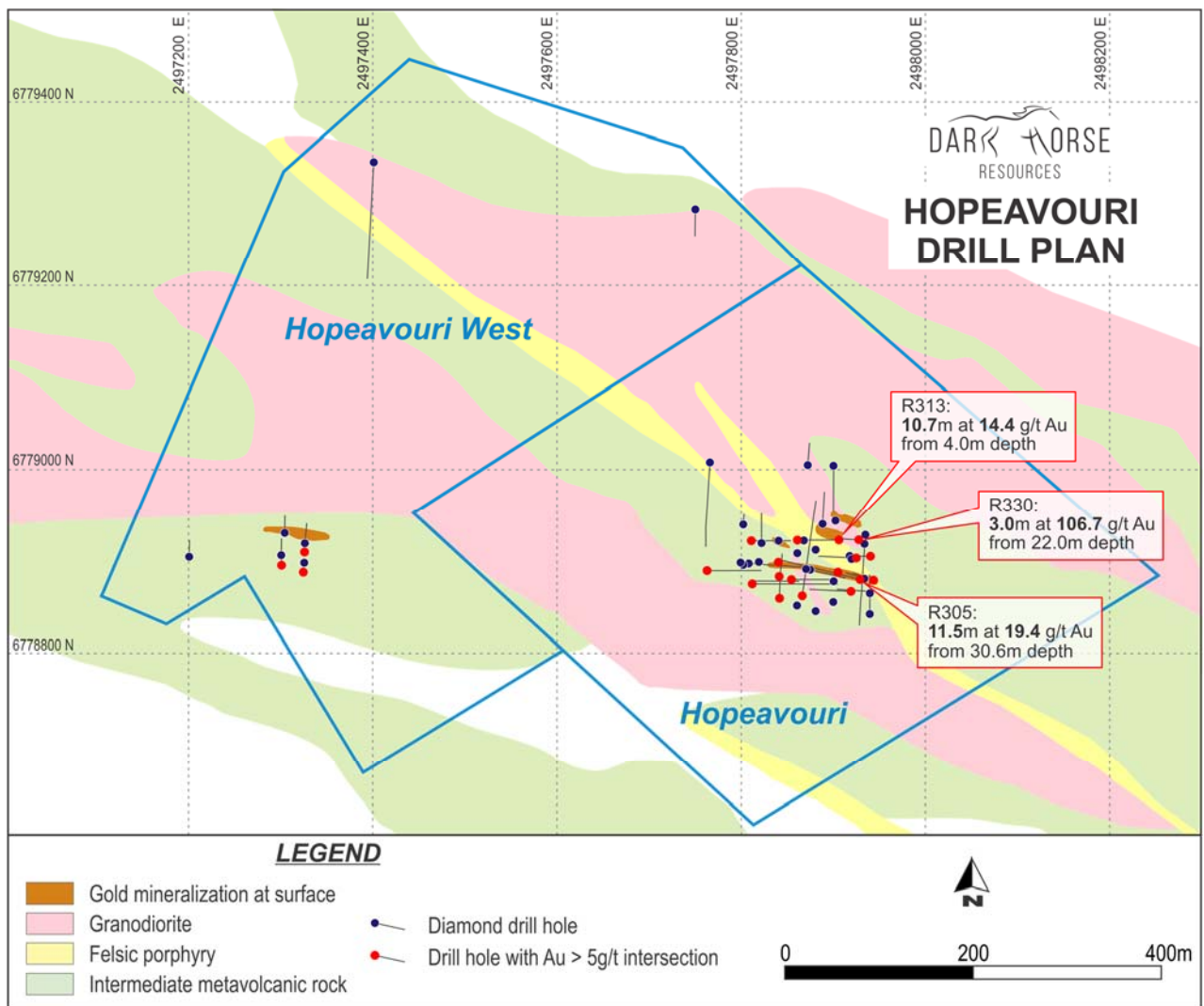


Figure 2: Location of the Tampere Gold Project Exploration Permits and closest Gold mines, Orivesi, Jokisivu, Kaapelinkulma mines and the Vammala processing facility operated by the Dragon Mining Limited (HKEx: 1712).





**Figure 3: Location of drillholes in the Hopeavouri Exploration Permits with significant gold intersections marked on geology.**

### Bergslagen Tungsten Project, Sweden

Refer to the Company's ASX releases of 9 June 2020 for full details and context for the discussion below.

The Bergslagen Tungsten Project is a group of seven (7) Exploration Permits covering a total area of 11,012Ha in the historical Tungsten mining field of Bergslagen, near the city of Grängesberg (refer **Figure 4**). These include the Yxsjöberg, Gubbo, Hörken, Högfors, Sandudden and Gänsen Prospects.

The prospects have historical, indicative rock sample grades varying from 0.25% to 0.44% of Tungsten Trioxide (WO<sub>3</sub>). The majority of deposits in the area occur as scheelite skarns. The Yxsjöberg prospect covers the historic Yxsjöberg Mine which produced 5 million tonnes grading 0.38% Tungsten (equivalent to 24,800t of WO<sub>3</sub>) between 1897 and 1989.

The deposit consists of three orebodies developed to 420m depth using horizontal cut and fill mining. In 2011-12 Tumi Resources Limited reported remaining resources at Yxsjöberg of 0.5Mt grading 0.35% WO<sub>3</sub> with an additional 4.6Mt of tailings (possibly grading 0.2% WO<sub>3</sub>) for re-working (TSXV:TM, 12 October 2012). The mineralization at Yxsjöberg consists of a tungsten-copper-beryllium-fluorite assemblage and these other metals will be considered for commerciality in the Company's work programs.

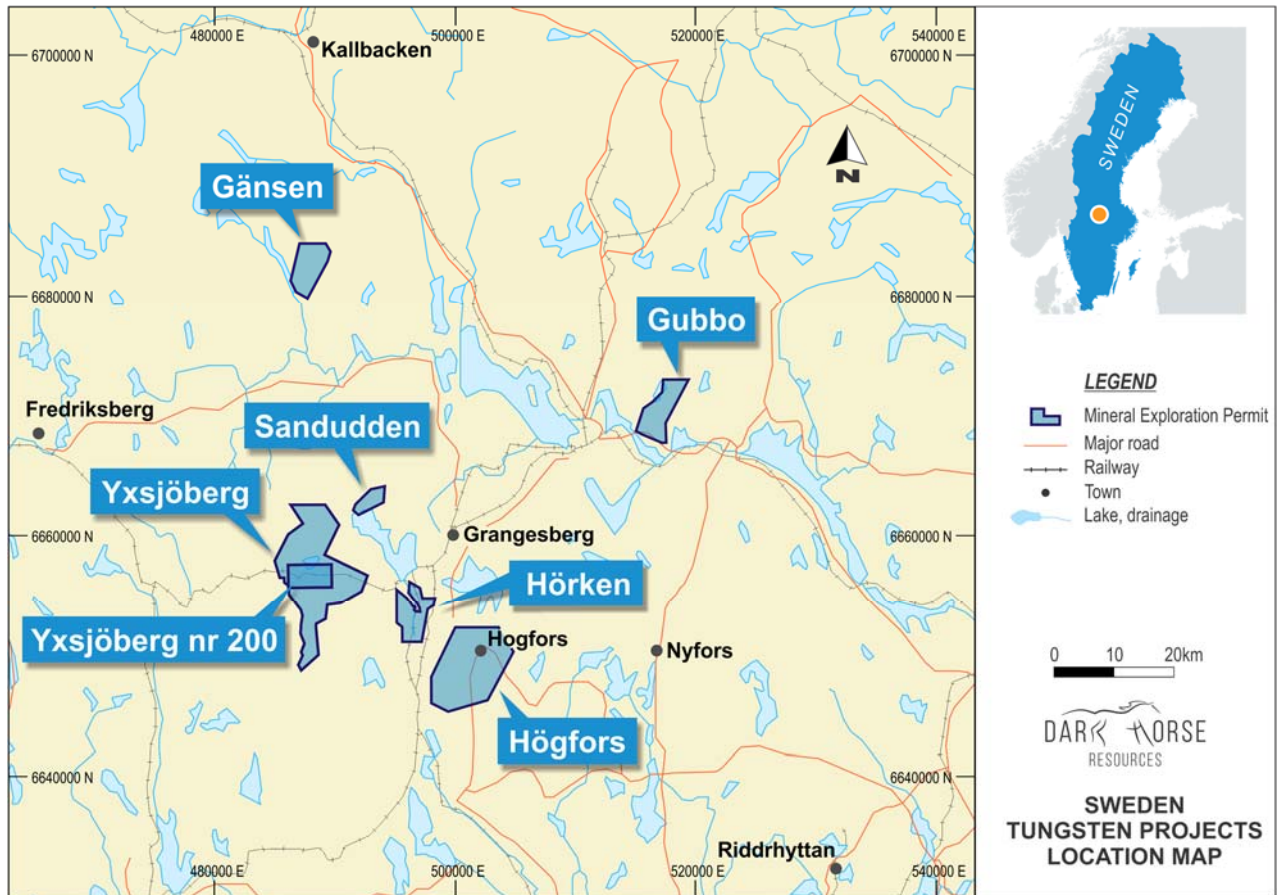


Figure 4: Tungsten Exploration Permits in the Bergslagen area.

### Acquisition Terms and Process

Dark Horse has executed a partially binding Term Sheet with **Sotkamo Silver AB** (Swedish company holding the Bergslagen Tungsten Project Exploration Permits) and Sotkamo **Silver Oy** (Finnish company holding the Tampere Gold Project Exploration Permits) for the 100% acquisition of the exploration permits, for consideration of €150,000 payable upon transfer of the permits to DHR. Dark Horse has paid an additional sum of €20,000 to Sotkamo to cover transaction documentation costs in Finland and Sweden.

Completion of the acquisition was subject to a 45 business day exclusivity, legal due diligence, approvals from relevant government authorities in Finland and Sweden, and transaction documentation period. This period was extended until 14 August 2020 due to delays associated with the Scandinavian summer holidays (refer ASX announcement 29 July 2020).

Dark Horse has established two new 100% owned subsidiary companies in Finland, NewPeak Finland Oy to hold the Finland Gols Exploration Permits, and NewPeak Sweden Oy to hold the Swedish Tungsten exploration permits. Finnish bank accounts have been set up for each company. A Company Administrator has been appointed to manage DHR's Finnish corporate affairs, and tenure management, legal counsel, accountants and auditors have been appointed.

A Permit Purchase Agreement (PPA) between Dark Horse and Sotkamo is currently being finalised and once executed, the exploration permits would be transferred into the subsidiary companies. This process normally takes between one and three months to conclude. The consideration is paid once the permits have been successfully transferred.

### **Next Exploration Steps in Scandinavia**

Upon completion of the Tampere Gold Project and Bergslagen Tungsten Project acquisition, Dark Horse plans to:

- Carry out resource definition drilling within the exploration permits of the Tampere Gold Project, including drilling at the Hopeavouri Prospect where the definition of a JORC-compliant Gold resource estimate will be targeted within 12 months.
- Review opportunities to acquire additional Gold properties in Finland by applying for free ground and/or acquisition of existing exploration permits.
- Instigate a strategic review of the Bergslagen Tungsten Project permits and mines to enable a comprehensive exploration drilling program to be designed and implemented.

### **Argentinean Gold Projects**

Dark Horse holds interests in two highly mineralised Gold properties in Argentina – the Las Opeñas Gold Project in the San Juan province and the Cachi Gold Project in the Santa Cruz province, both mining friendly jurisdictions. The Company has been working in advancing both of these projects over the past several years with drilling the next major step in this process for both projects, as each have the potential to hold commercial-grade Gold deposits.

In order to progress the drilling Dark Horse has engaged North American firm Red Cloud Financial Services Inc (Red Cloud) as a financial advisor for the purposes of soliciting interest, structuring and providing financial advice to the Company. This specifically relates to supporting 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.

Dark Horse is in current discussions and has executed Confidentiality Agreements with several large, and smaller, international mining companies who are carrying out due diligence on the Argentine Gold projects with an intention of a potential earn-in transaction. An outcome on these arrangements is expected over the next few months.

### **CORPORATE ACTIVITIES, PROJECT SPEND AND RELATED PARTY MATTERS**

Via both a Placement and SPP, Dark Horse successfully raised over \$2.2 million in June and July. The capital raising program raised over \$1.95 million in cash, and the SPP also allowed for a strengthening of the Company's Balance Sheet through the conversion of \$255,000 in debt.

The capital raising program followed the execution of a Term Sheet with Sotkamo Silver AB (**Sotkamo, NGM: SOSI**) to acquire 100% of the interest in a number of highly prospective Gold Exploration Permits in Finland, the **Tampere Gold Project**. Sotkamo's portfolio also includes a group of Tungsten Exploration Permits in Sweden, the **Bergslagen Tungsten Project**, which Dark Horse will also acquire in the deal.

The proceeds of the Placement and the SPP will be used by Dark Horse to:

- meet the €150,000 acquisition price of the Sotkamo Finland Gold and Sweden Tungsten Exploration Permits (refer ASX announcement 9 June 2020);
- fund an initial drilling program at the Finland Tampere Gold Project;
- continue efforts to source a joint venture partner for the Cachi and Las Opeñas Gold projects in Argentina, or alternative funding mechanisms to enable drilling at each property; and
- cover the costs of the capital raising and for working capital purposes.

During the quarter, Dark Horse took steps to minimise its cash outflows, as announced on 29 April 2020 and 10 June 2020. Accordingly, during the quarter, the Company only spent approximately \$128,000 on earn-in and exploration activities related to its Argentinean Gold Projects.

In addition to minimising outflows, as announced to the market on 29 April 2020 the Company received a total of A\$200,000 cash through the sale of a small parcel of Lakes Oil NL (ASX:LKO) shares to former Non-Executive Director and major shareholder Neil Stuart, and Managing Director David Mason.

Director's Fees paid during the quarter were \$8,000, with the remainder accrued, some of which were subsequently converted in the Company's Share Purchase Plan.

As announced after the end of the June 2020 quarter, some funding of the Company's activities over the past 6 months has been provided by Managing Director Mr David Mason. Currently, this amounts to approximately USD120,000 (AUD175,000). In order to preserve the capital recently raised for project related expenditures, Mr Mason has agreed not to draw back the funds at this time, and instead treat them as a loan, to be repaid on a mutually agreed basis, and bearing interest at 9% per annum.

The Company has also renegotiated the terms of its Converting Loans (\$560,000), such that the repayment dates have been extended to 1 May 2021, and they will be repayable at the Company's election in cash or shares (via a conversion price of 0.3 cents per share) or a mixture of both. Other terms remain as previously published.

## INTERESTS IN TENEMENTS

Refer to Appendix A to this report.

*Authorised for Release by the Board of Directors.*

### For further information contact:

**Mr David Mason**  
Managing Director  
[dmason@darkhorseresources.com.au](mailto:dmason@darkhorseresources.com.au)

**Karl Schlobohm**  
Company Secretary  
[kschlobohm@darkhorseresources.com.au](mailto:kschlobohm@darkhorseresources.com.au)

**Website:** [www.darkhorseresources.com.au](http://www.darkhorseresources.com.au)    **Twitter:** [@ASX\\_DHR](https://twitter.com/ASX_DHR)



### **Competent Persons Statement**

The information herein that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Jason Beckton, who is a member of The Australian Institute of Geoscientists. Mr Jason Beckton is a Director of Dark Horse Resources Ltd.

Mr Beckton has more than five years' experience which is relevant to the style of mineralisation and types of deposits 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.

### **Forward Looking Statement**

This announcement may contain certain statements and projections provided by or on behalf of Dark Horse Resources Limited (Dark Horse, the Company) with respect to the anticipated future undertakings. These forward-looking statements reflect various assumptions by or on behalf of the Company. Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with exploration and/or mining which may be beyond the control of the Company which could cause actual results or trends to differ materially, including but not limited to price fluctuations, exploration results, reserve and resource estimation, environmental risks, physical risks, legislative and regulatory changes, political risks, project delay or advancement, ability to meet funding requirements, factors relating to property title, native title and aboriginal heritage issues, dependence on key personnel, share price volatility, approvals and cost estimates. Accordingly, there can be no assurance that such statements and projections will be realised. The Company makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.

Additionally, the Company makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by the Company or by any of their respective officers, directors, shareholders, partners, employees, or advisers as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any interested party or its advisers. In furnishing this presentation, the Company undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Dark Horse.

**APPENDIX A TO QUARTERLY ACTIVITIES REPORT**

**INTEREST IN TENEMENTS HELD IN THE QUARTER**

<b>Province</b>	<b>Tenement Name</b>	<b>File Number</b>	<b>Beneficial Interest Percentage</b>	<b>Status</b>
Santa Cruz	La Linda	427.016/DG/11	100%	Granted
Santa Cruz	La Elegida	427.017/DG/11	100%	Granted
Santa Cruz	La Rosita Norte	427.592/DG/11	100%	Granted
Santa Cruz	Cañadón Agustín	422.545/LEE/10	100%	Application awaiting approval
Santa Cruz	Cachi Norte	437.209/TCE/17	0%*	EIA approved. Grant pending.
Santa Cruz	Cachi	431.870/CL/15	0%*	EIA approved. Grant pending.
Santa Cruz	Sierra Morena Sur	401.671/MS/07	0%*	Granted
Santa Cruz	Tejedor	Application date 4 April 2019	100%	Application awaiting approval
Santa Cruz	Las Lajas 1	Application date 4 April 2019	100%	Application awaiting approval
Santa Cruz	Las Lajas 2	Application date 4 April 2019	100%	Application awaiting approval
San Juan	Las Opeñas mine	1124623-T-12	25%	Granted
San Juan	San Judas Tadeo	14-bis-H-46	0%*	Granted

\* Dark Horse Resources is earning into an equity position in each these tenements.