ASX Announcement

9 October 2018

Las Tapias and Company Update

Dark Horse Resources Limited (ASX:DHR; **DHR**, **Dark Horse** or **the Company**) is pleased to provide an update in relation to the Company's recent business activities (refer **Figure 1**). The update includes a description of the following projects:

- Las Tapias Lithium Spodumene
- San Luis Lithium Spodumene
- San Jorge Lithium Brine
- Argentine Gold
- Dark Horse Energy Holdings
- Interest in Lakes Oil NL

Las Tapias Lithium Spodumene Project

The first phase of exploration drilling of the **Las Tapias** Project has been completed. Eighteen diamond holes were drilled to test the lithium oxide content of a known large spodumene bearing pegmatite at the Las Tapias Mine in Cordoba Province, Argentina. Best assay results are listed in Table 1.

Drillholes LT-18-01 and LT-18-02 were abandoned when they intersected underground workings. Holes LT-18-03, 04, 05 and 12, intersected potentially spodumene ore grade pegmatite in the vicinity of these workings. All other exploration holes intersected the host pegmatite, but without economic grades of lithium oxide.

Although evaluation work continues at site, exploration to date suggests that Las Tapias will be unable to support the conceived modular spodumene concentrate operation as a stand-alone supplier, and additional sources of spodumene will be required to justify its development.

On the basis of the initial fieldwork, Las Tapias presented as a highly prospective lithium spodumene pegmatite project, being an existing mine/quarry with historical underground workings. Site observations, sampling and assaying undertaken, and the overall geological exploration work completed prior to drilling provided highly encouraging indications of prospectivity. Drilling was intended to confirm what was presented. However, the rich spodumene zone was not as extensive as predicted because of chemical and structural features of the pegmatite, and a large portion of the pegmatite had low lithium grades. Whilst the drilling results were not as expected, we have learned a great deal about pegmatites and lithium bearing spodumene in this new hard rock province of Argentina, which will be a significant advantage going forward for our other larger and higher priority targets in San Luis province (as per the San Luis province projects including El Totoral below).

Irrespective of this, Dark Horse is working with an Argentine mining and processing company who currently mine feldspar and quartz from pegmatites in the region for use in the local and export ceramics industries. Under a Cooperation Agreement being negotiated with the Argentinean company, DHR will have exclusive access to the spodumene in the mining licences for mining, processing and sale of spodumene products under a future Tribute/Royalty Agreement.

A proposal is currently being submitted to the provincial Mining Authority to allow the Argentine company to implement this project. The Argentinian mining company holds granted Mining Licence tenure to allow evaluation and development.

Dark Horse would firstly carry out drilling and resource definition and some pre-feasibility, expected to take 3-4 months, and if satisfactory tonnage and grade is defined, operations would be scheduled to commence with Dark Horse aiming to be in a position to sell spodumene products by the end of 2019. Dark Horse would assess the feasibility of supply from Las Tapias supplementing this operation.

The Company has opened discussions directly with the Las Tapias project owner to renegotiate the terms of the Pampa Litio SA Exploration Agreement with Option-to-Purchase with particular attention to the next vendor commitment due mid-November 2018. Dark Horse is confident it will be able to delay this commitment for one year whilst it determines a suitable successful path forward towards spodumene mining.

HOLE-ID	Total Depth	From	To	Length	Li2o %
LT-18-01	25.5	No Significant Assays			
LT-18-02	10.2	No Significant Assays			
LT-18-03	108.1	36.3	37.3	1	2.08
LT-18-04	101.4	27.8	41.3	13.5	0.70
LT-18-05	103.5	31	34.5	3.5	0.29
LT-18-06	102.1	No Significant Assays			
LT-18-07	108.5	No Significant Assays			
LT-18-08	100.5	No Significant Assays			
LT-18-09	105.0	No Significant Assays			
LT-18-10	121.5	No Significant Assays			
LT-18-11	129.0	No Significant Assays			
LT-18-12	165.0	71.6	72.6	1	0.37
LT-18-13	95.0	No Significant Assays			
LT-18-14	101.0	No Significant Assays			
LT-18-15	100.0	No Significant Assays			
LT-18-16	100.0	No Significant Assays			
LT-18-17	127.0	84	86	2	0.47
LT-18-17		93	99	6	2.54
LT-18-18	104.0	No Significant Assays			

Table 1 – Summary of economic assay results from diamond drilling at the Las Tapias Mine site.

Reverse Circulation drilling of the pegmatite waste dumps associated with the historical mining at the Las Tapias Mine made a number of intersections, as listed in Table 2.

HOLE-ID	Total Depth	From	To	Length	Li2o %
LT-18-19	8	No Significant Assays			
LT-18-20	14	No Significant Assays			
LT-18-21	7	No Significant Assays			
LT-18-22	15	0	7	7	0.11
LT-18-23	5	No Significant Assays			
LT-18-24	12	No Significant Assays			
LT-18-25	12	No Significant Assays			
LT-18-26	5	No Significant Assays			
LT-18-27	7	No Significant Assays			
LT-18-28	10	No Significant Assays			
LT-18-29	9	No Significant Assays			
LT-18-30	11	5	9	4	0.13
LT-18-31	20	No Significant Assays			
LT-18-32	8	No Significant Assays			
LT-18-33	16	No Significant Assays			
LT-18-34	21	No Significant Assays			
LT-18-35	14	No Significant Assays			
LT-18-36	9	No Significant Assays			
LT-18-37	8	No Significant Assays			
LT-18-38	10	No Significant Assays			

Table 2 – Summary of economic assay results from drilling of waste dumps at the Las Tapias Mine site.

San Luis Lithium Spodumene Projects

Geological reconnaissance continues at the Company's **El Totoral** licence in the San Luis Province to delineate definitive drilling targets over a suite of the more prospective spodumene bearing pegmatites, which will then be implemented when environmental permits are received from the provincial government authorities. The initial focus has been on the San Luis group of pegmatites. **Figure 2** below shows the location of the El Totoral Exploration Licence and **Figure 3** provides a detailed geological map of the San Luis focus area of exploration. Photographs of two significant pegmatites, San Luis and Tico, are also included below, with some of the spodumene rich rock samples. Detailed exploration and assay results will be reported once assay data is received and evaluated.

Dark Horse has renegotiated the terms of the Exploration Agreement with Option-to-Purchase with the vendors of Pampa Litio SA, the entity which holds all Dark Horse's lithium spodumene interests in Argentina. As a result, a three (3) month extension of time has been agreed for the conclusion of next stage of obligations whilst the parties await the San Luis Mining Authority to issue permits for drilling.

San Jorge Lithium Brine Project

Dark Horse is carrying out the legal due diligence on the San Jorge Project and finalising the Exploration with Option to Purchase Agreement with the vendor in the 60 day designated time frame. Dark Horse has prepared an aggressive exploration program to fully test the lithium potential of the salar which would commence immediately following successful due diligence and contract execution.

The San Jorge Project is a group of 15 granted Exploration Licences in Catamarca province, Argentina covering an area of 36,600 hectares over the San Francisco salt lake basin. The nucleus of the salar is approximately 7,000 hectares in area and the project leases cover almost all of it.

The San Francisco salar is located close to the border with Chile near National Route 60, a fully paved highway connecting Argentina with Chile and providing the project with excellent logistics. The project is just under 500km by road northwest from the provincial capital city Catamarca, and 400km east from deep-water ports in Chile.

The San Francisco salar lies in the southern end of the "Lithium Triangle" in the Puna Plateau. The area is characterized by high altitude salt flats, many of which contain elevated lithium concentrations. Maricunga salar in Chile lies 90km to the west and 3Q salar in Catamarca 70km southwest, both salars containing some high concentrations of lithium. Lithium Power International, SQM and Codelco hold the majority of the Maricunga salar and Neo Lithium Corporation the 3Q salar. Antofalla salar lies 100km north and Hombre Muerto salar 200km northeast of San Francisco.

Argentine Gold Projects

The Company has implemented exploration programs within its suite of gold properties in Santa Cruz and Rio Negro. Current work includes the following:

- Dark Horse has a team of geoscientists carrying out mapping, sampling and trenching over the main known targets within the **Cachi** project with objectives to carry out future geophysics and drill target definition. The Cachi project is a 17,300ha lease located in the central-western region of Santa Cruz province, Argentina.
- A second team of geoscientists has commenced exploration work in the **PROAR Santa Cruz** properties located immediately west of Cachi. These properties are prospective for epithermal style gold-silver mineralization.
- An historical exploration data package has been comprehensively evaluated over the **PROAR Rio Negro** properties and is currently being reviewed by senior management with the intention of designing field exploration programs for implementation before the end of 2018.

Dark Horse Energy Holdings

Dark Horse Energy Holdings (**DHE**) is continuing with its initial discussions on concentrated solar power opportunities, namely:

- The development of small scale solar thermal (3 – 5 MW) projects for the production of heat/steam in agribusiness processing to substitute high cost gas.
- The development of a pilot 10MW (leading to a 100MW) concentrated solar power project with energy storage. Financial support will be sought from State and Federal Government agencies.
- The investment in the business which owns the patents and will manufacture in Australia and Malaysia the patented parabolic troughs used in the above and other projects.

Interest in Lakes Oil NL

Dark Horse Resources currently holds 9.6 billion ordinary shares (approx. 32%) in ASX-listed Lakes Oil NL.

The hearing of Lakes Oil's legal proceedings against the Victorian State Government took place on 15 March 2018 in the Supreme Court of Victoria. The focus of the hearing was to consider the contentions by Lakes Oil that:

- the variations made by the Victorian Minister's delegate to Lakes Oil's authorities in December 2017 were illegal; and
- the Victorian Petroleum Act, as amended in March 2017, specifically provides that exploration commitments under existing petroleum tenements are excluded from the Government's exploration moratorium.

Lakes Oil accordingly argued that the Victorian State Government cannot refuse to grant approvals for performance by Lakes Oil of its explicit commitments on the grounds that these commitments are prohibited by the moratorium.

Based on advice received Lakes Oil considers that Justice Macaulay's Judgement has unfortunately not dealt with, and incorrectly applied, the law in respect of key aspects of Lakes Oil's case. The details will be set out in the Company's Appeal. The Appeal will be lodged once Final Orders are made in respect of the original proceeding.

Mr Chris Tonkin, Chairman of Lakes Oil, said "while it is regrettable that we must take further action, we cannot let the interests of Lakes Oil's Shareholders be compromised. Given the strength of advice received, we are confident of success through the Appeal process, which will involve review by a panel of three judges of the Victorian Supreme Court".

While it is not expected that the Appeal will be heard until sometime in 2019, the transformational initiatives implemented by Lakes Oil over recent months mean the Company has other highly-prospective opportunities to be pursued in the near-term outside of Victoria. In particular, preparations for drilling of the Nangwarry-1 well in South Australia are well advanced, with spudding of the well scheduled for January 2019. The Nangwarry-1 well is located in the onshore Otway Basin, just kilometres from the Victorian border, and is partially funded by a $4.95 million grant under the South Australian Government's Petroleum Accelerated Exploration (PACE) program.

The Company will continue to update the market in relation to these various matters.

On behalf of the Board
Mr Karl Schlobohm
Company Secretary

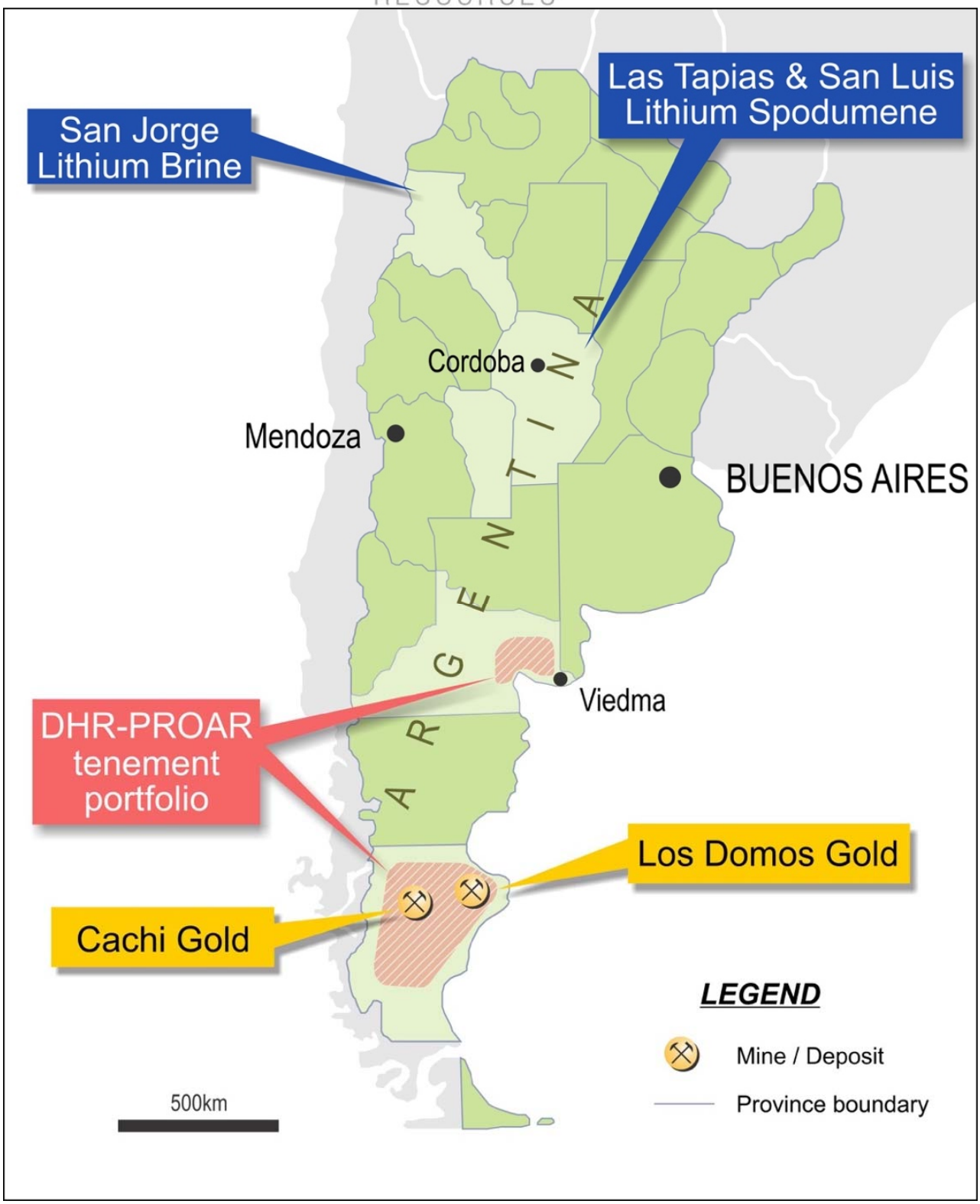


Figure 1 - Location map showing the location of Dark Horse's Argentine mineral projects.

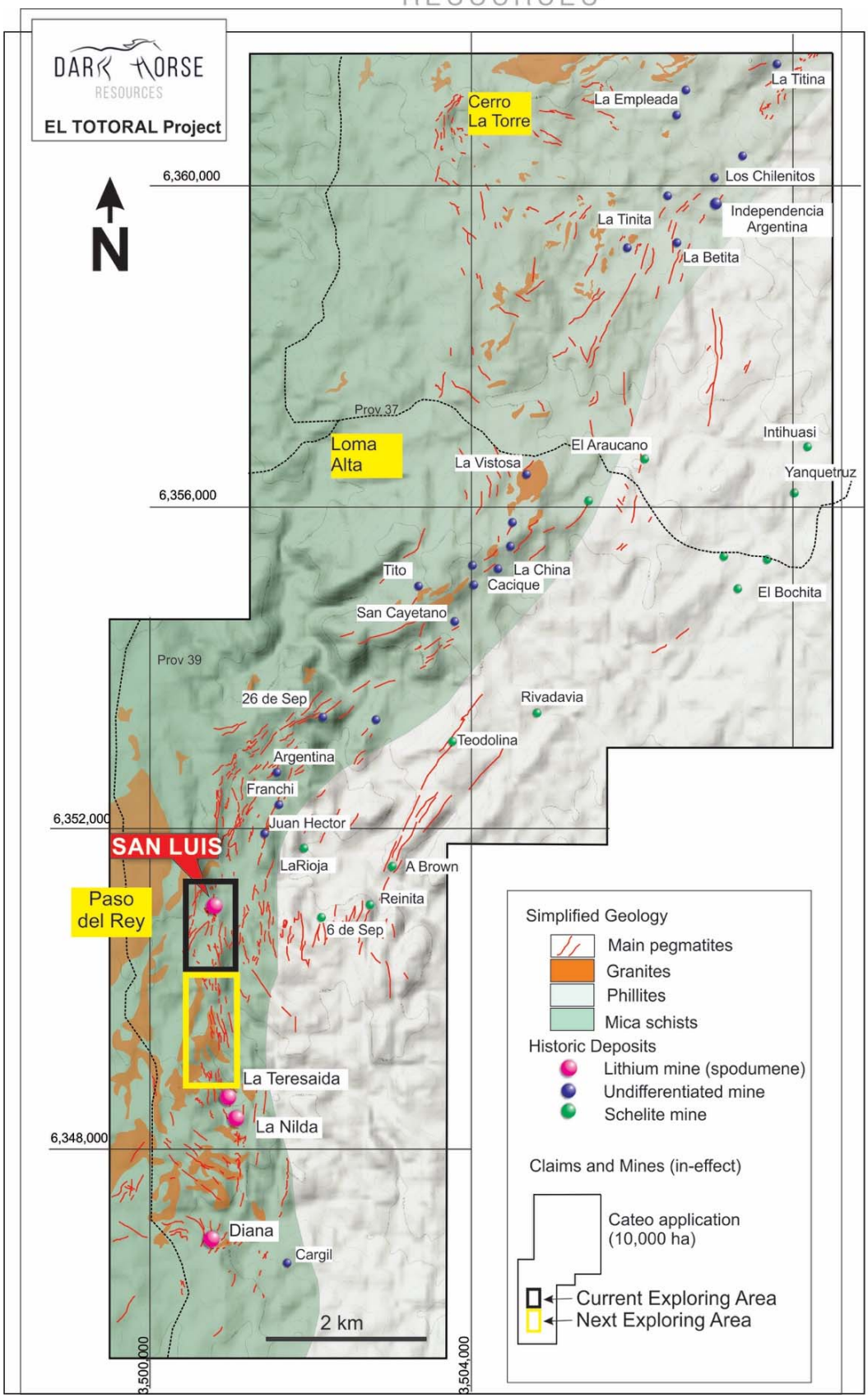


Figure 2 – Regional geological map showing the location of the El Totoral Exploration Licence in San Luis province including the current area of detailed exploration around the historical San Luis Mine.

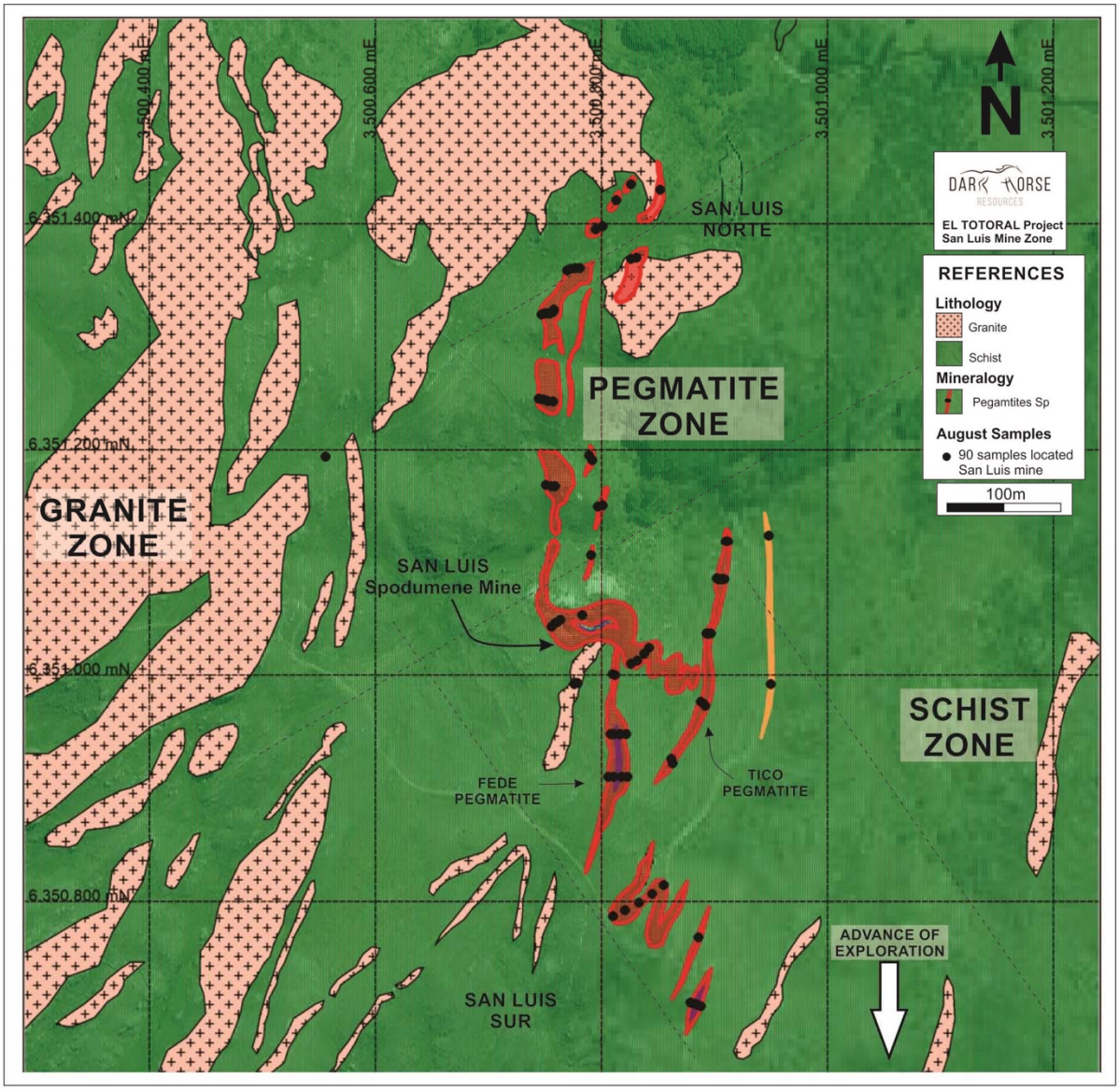
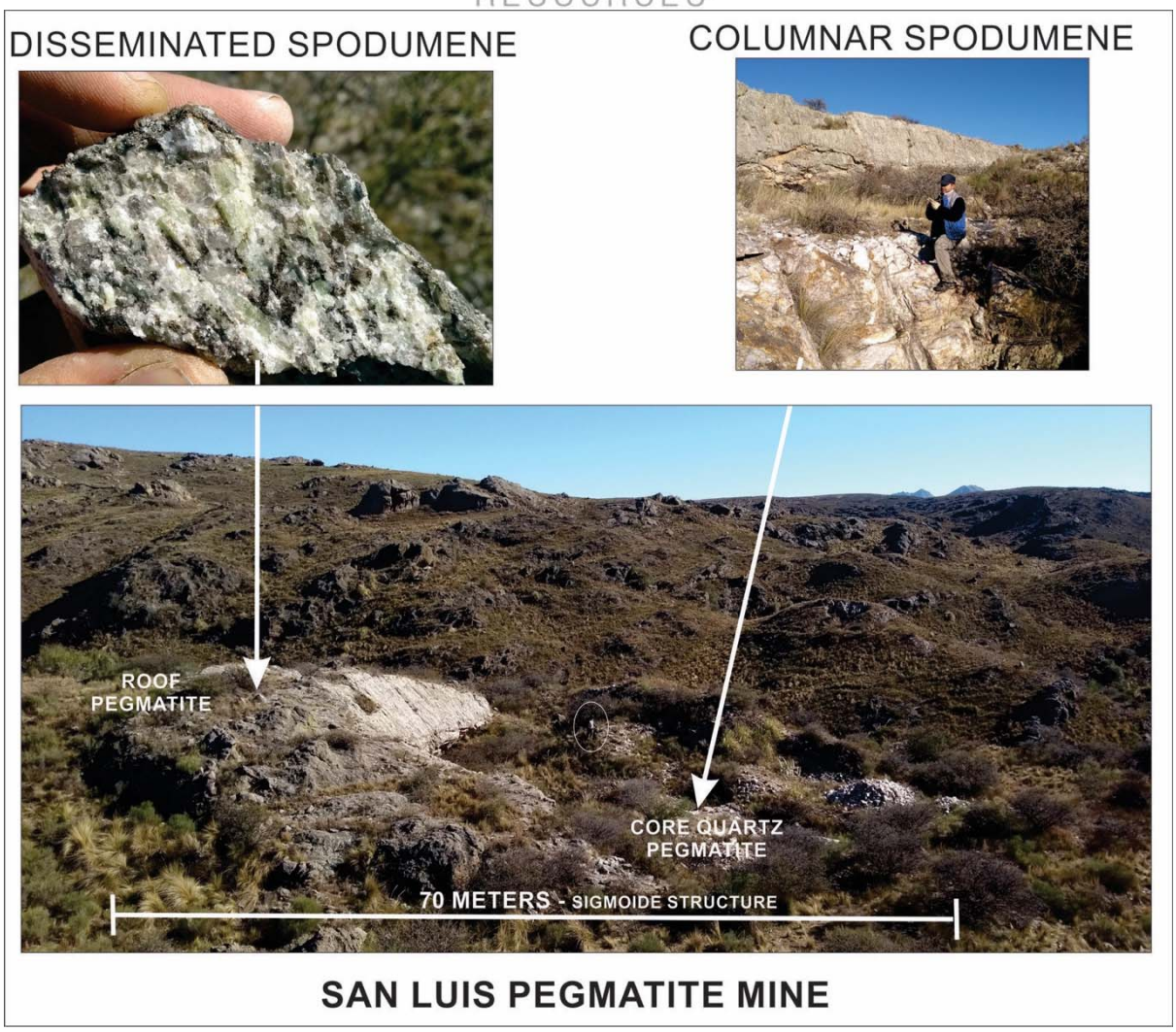


Figure 3 - Location map showing the location of the San Luis and Tico pegmatites.



Photograph 1 – the San Luis pegmatite.

Photograph 2 – the Tico pegmatite and spodumene rich rock samples.

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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.

About Dark Horse Resources

Dark Horse Resources Ltd is an Australian, publicly listed mineral resource company (ASX: DHR), with a particular focus on Argentina, where it has invested in lithium and gold projects, with objectives to:

- Control a provincial stake of lithium resources, mine spodumene and produce high grade Lithium Hydroxide for the domestic and international battery and electronic markets.
- Discover and define several multimillion ounce gold deposits and the production of gold doré.

Dark Horse also has a power generation subsidiary, Dark Horse Energy and a substantial holding (32%) in Australian-based and ASX-listed oil and gas exploration company Lakes Oil NL (ASX:LKO).

Company website: www.darkhorseresources.com.au

Follow us on Twitter: @ASX_DHR

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.*	• Drilling results reported herein relate to DD and RC drill holes at Las Tapias project, Cordoba Province, Argentina. • DDH holes LT-18-05 to -18 were drilled in June-July 2018 and RC holes LT-18-19 to -38 in August 2018. • The DDH program used standard HQ drill tools to sample the pegmatite body. Core was diamond sawn and half core stratigraphically sampled in nominal 1m lengths (min: 0.3, max: 2.5m) for assay. • The RC program targeted the historic mine waste dumps. Standard RC drilling techniques were used to collect 1m samples which were split to nominal 3kg sub-samples for assay.
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).*	• Diamond drilling was conducted with a top-drive wireline rig using HQ core assembly, and muds or water as required for lubrication. • RC drilling used a top-drive rig, dual RC pipe and tricone or 4" face sampling hammer as required by conditions. Air was provided by 300cfm/600 psi compressor. • All drilling was conducted by Argentine company ENERGOLD Drilling Corp.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Diamond sample recoveries were good as indicated by RQD's > 95%. • As expected in unconsolidated dump material sample recoveries were variable. Nil recovery occurred in beds of coarse broken diorites located at the base of some waste dumps. • Samples are considered fit for purpose.
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.*	• All holes were geologically logged in their entirety for lithology, minerals, pegmatite phase, texture, recovery, colour and structure using standard qualitative codes • Diamond holes were logged before sampling. • RC holes were logged in the field from washed chip samples, a portion of which was archived in chip trays. • Core and chip trays were photographed.
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.*	• Core samples were sawn in half. RC samples were riffle split. • 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). • 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	• *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*	• Diamond samples were assayed by ALS; RC samples by Alex Stewart Laboratories. • At ALS aliquots of pulverized samples were subject to Multi-Element Analysis by Sodium Peroxide Fusion and ICP-MS (ME-MS91) and Li Analysis

Criteria	JORC Code explanation	Commentary
laboratory tests	*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.*	by Sodium Peroxide Fusion and ICP-ES (ME-ICP82b). • At Alex Stewart samples were assayed using method LMMT40 – a Sodium Peroxide digestion prior to an ICP-OES reading. • The Peroxide Fusion digestion is a specialized and appropriate method for accurately measuring ore grade Lithium content. • A QAQC program of Standard Reference Materials, Blanks and Duplicates was included with sample submission. Two SRMs (both High and Low grade), 1 Blank and 2 duplicates were submitted in each batch of 40 samples. • Standards and laboratory checks have been assessed. Most of the standards show results within acceptable limits of accuracy with good precision in most cases; no cross contamination was detected; internal laboratory checks indicate high levels of precision. • There is no significant difference in the values of SRM's assayed by the two laboratories as part of the QAQC program, indicating no laboratory bias.
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.*	• No verification procedures have been implemented to date. • Sample and geological data were recorded on field logging sheets and then entered into Excel worksheets. Assay Data is provided in both paper and electronic formats. • Regular electronic backups of exploration data are undertaken. • Assay verification is checked by the use of certified reference materials • For reporting purposes the laboratory Li value is converted to industry standard lithia (Li2O). The factor used was Li * 2.2153 = Li2O.
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.*	• DDH collars were located using DGPS. • Downhole surveys of DDH holes were measured with a Reflex EZ single shot camera. The shallow RC holes did not require downhole surveys. • RC Holes were measured by tape and compass from DGPS survey control points located for that purpose. • Reference system used was Posgar 2007, Faja3 (Argentina reference coordinates)

Criteria	JORC Code explanation	Commentary
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.*	• Individual drill holes • Diamond core spacing is too wide for a resource calculation at present. • 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.*	• The azimuth and dip of holes was determined to ascertain the (unknown) geometry of bodies of pegmatite, which in turn have multiple orientations. In some cases, the topography restricted where drill sites could be set up, meaning the dip and azimuth were not optimal to intersect each pegmatite on a perpendicular basis. Mineralisation intersection thicknesses are likely to be wider than the actual thickness of the pegmatite lens. No sampling assay bias is thought to have been introduced. Orientation of measurements is not expected to contribute to sampling bias.
Sample security	• *The measures taken to ensure sample security.*	• Sample security was managed by the Company using industry standard chain of custody procedure. Company geologists and licensed couriers transported the samples from the field to the ALS laboratory for reception.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No external audit or review of the sampling techniques or data has been undertaken beyond that of normal internal Company procedures and that of the respective Competent Persons in the compilation of this and supporting, separate reports.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land	• *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,*	• Measurements carried out on Las Tapias Mine (file 912-38), La Protectora mine (file 1567-41), Rosita Mine (file 5601/58), San Telesforo Mine (file 1698/41), San Jose(file 5445/57), San Jose II (file 10874/04) and tenement

Criteria	JORC Code explanation	Commentary
tenure status	*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.*	(file 2013/2016) which is held by Dark Horse under an Option Agreement with Pampa Litio SA (ASX Announcement October 2016). • N-A.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration has been carried out by Pampa Litio SA under the management of Dr Gustavo Rodriguez, a principal of Pampa Litio SA, which included geological mapping, rock chip sampling and assaying. These results were reported to the ASX in October 2016.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Mineralization model corresponds to pegmatite within diorites or intruded into low grade metamorphic schists. • In Cordoba province, the project is located in the area of the Achala Batholith, a prominent Devonian aged granite suite that intrudes the central part of the high-grade metamorphic rocks of Sierras de Cordoba. • Mineralization style corresponds to late stage, slower cooling of intrusive mineralised fluids from large intrusive bodies, with the subsequent formation of large crystals of a great variety of minerals.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* 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.*	• See Table in ASX release

Criteria	JORC Code explanation	Commentary
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.*	• Intersections are calculated as length-weighted averages of raw data. • Intervals reported are generally above a 0.5 % Li2O (lower) cutoff however may include internal dilution to a maximum of 2m.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Downhole lengths are reported in the text, figures and tables are of drilled metres down the hole from surface, and most often are not an indication of true width.
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.*	• Refer to figures and tables in this 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.*	• Representative reporting of drill details has been provided in this announcement.
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.*	• All meaningful and material exploration data has been reported.

Criteria	JORC Code explanation	Commentary
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.*	• On-going work is subject to data analysis.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Not Applicable
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Not Applicable
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Not Applicable
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Not Applicable
Estimation and	• *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*	• Not Applicable

Criteria	JORC Code explanation	Commentary
modelling techniques	*points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Not Applicable
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Not Applicable
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Not Applicable

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Not Applicable
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Not Applicable
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Not Applicable
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and*	• Not Applicable

Criteria	JORC Code explanation	Commentary
	distribution of the data). • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Not Applicable
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Not Applicable

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion	• *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

Criteria	JORC Code explanation	Commentary
to Ore Reserves		
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
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*	• Not Applicable

Criteria	JORC Code explanation	Commentary
	studies and the sensitivity of the outcome to their inclusion. • *The infrastructure requirements of the selected mining methods.*	
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

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 and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes*	• Not Applicable

Criteria	JORC Code explanation	Commentary
	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.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Not Applicable

Section 5 Estimation and Reporting of Diamonds and Other Gemstones

(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Criteria	JORC Code explanation	Commentary
Indicator minerals	• *Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.*	• Not Applicable
Source of diamonds	• *Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.*	• Not Applicable
Sample 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
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*	• Not Applicable

Criteria	JORC Code explanation	Commentary
	need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).	
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 Mineral Resources and Ore Reserves	• *Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.* • *The sample crush size and its relationship to that achievable in a commercial treatment plant.* • *Total number of diamonds greater than the specified and reported lower cut-off sieve size.* • *Total weight of diamonds greater than the specified and reported lower cut-off sieve size.* • *The sample grade above the specified lower cut-off sieve size.*	• Not Applicable
Value estimation	• *Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.* • *To the extent that such information is not deemed commercially sensitive, Public Reports should include:*	• Not Applicable

Criteria	JORC Code explanation	Commentary
	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.*	
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
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