



Quarterly Activities Report for the Period Ended 31 December 2015

ASX CODE: DHR

Shares on Issue

580 million

Market Capitalisation

A\$3m (at A\$0.005)

DIRECTORS

Nick Mather (Chairman)

Brian Moller (Director)

Neil Stuart (Director)

David Mason (Director)

COMPANY SECRETARY

Karl Schlobohm

CONTACT DETAILS

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HIGHLIGHTS

Projects

- Company Directors travelled to Argentina to meet with regional Government officials and other various stakeholders for the advancement of the highly prospective Nirihuau Coal Project in the Rio Negro province of Argentina. EIA approval granted, paving the way for the commencement of exploration.
- Discussions with a potential partner for the Rio Negro Power Project led to the execution of an MOU with Sunset Power Pty Ltd, following the end of the Quarter. Sunset Power is managed and controlled by Mr Trevor St Baker. Pursuant to the MOU the parties will work together to advance the opportunity for an ultra-supercritical base load coal fired power station at the Nirihuau Coal Project site, to connect to existing 500kV transmission network serving the Argentinean national electricity network. The parties will scope the size and design, obtain all development and environment approvals, and negotiate the necessary power purchase and funding agreements with a view to future construction and development.
- The Company executed an Option to Purchase 100% of a lease covering the main historical Marayes mining area in the San Juan province of Argentina. This lease compliments the Company's existing tenure holdings and provides a continuous tract of land covering the most significant known coal resources in the region.

Corporate

- On 16 December 2015 the Company announced that it had changed its name from Navaho Gold Limited to Dark Horse Resources Limited.

REVIEW OF PROJECTS AND ACTIVITIES

Excarb (Argentinean Coal Projects)

Nirihuau Coal Project – Rio Negro Province, Argentina

Site Visit and Governmental Meetings

During November 2015 Company Directors Neil Stuart and David Mason travelled to Argentina to liaise with Dark Horse's Argentinean Country Manager, its Joint-Venture Partners, and various advisors and contractors, in order to progress the Company's objectives for mining and power generation development in the Rio Negro province. The Directors visited Viedma (the capital of the province) together with representatives of the Company's Joint-Venture Partner for the Nirihuau Coal Project (Trendix Mining), and held meetings with officials from the Provincial Government. These meetings included discussions with the Honorable Alberto Weretilneck - Rio Negro Governor, Ing Marcelo Echegoyen the Secretary for Energy, Mr Juan Pablo Espinola the Secretary of Mines, Ing Dina Lina Migani the Secretary for Environmental matters, and Ms Andrea Confini the Secretary for Institutional Relations.

The Secretary of Mines accompanied the Dark Horse-Trendix team to the site, so that he could gain a direct and independent appreciation of the geological and mining potential of the Nirihuau Project, and the perceived social and environmental factors.

The initial presentations made to the Rio Negro Government were well received and Dark Horse believes the Government is likely to value the social benefits the country will receive in the development of the Nirihuau Coal Project.

Power Generation Project and Memorandum of Understanding

Following the commencement of discussions in the latter part of 2015, Dark Horse and Sunset Power Pty Ltd executed a Memorandum of Understanding to investigate the opportunity for a mine mouth coal fired power station at the Nirihuau Coal Project site.

The parties will work together to advance the opportunity for an ultra-supercritical base load coal fired power station at the Nirihuau Coal Project in Western Argentina to connect to existing 500kV transmission network serving the Argentinian national electricity network, which presently is reliant on imported LNG to meet a major portion of the country's base-load power demand. The parties will scope the size and design, obtain all development and environment approvals, and negotiate the necessary power purchase and funding agreements with a view to future construction and development.

The power generation project will help service the country's increasing power demands, help utilise the existing resources and help reduce the need for importing expensive hydrocarbon, fuels and electricity. The next step in the process is to present a business case to the Argentine federal and provincial Governments.

Sunset Power plans to secure the development and financing for the coal fired power station. In addition, Sunset Power will provide the necessary expertise for the identification of the most economic development to serve the needs of the interconnected Argentine electricity network, and for appropriate presentation to various Argentine Government and relevant electricity planning and development Agencies of the Argentine Government.



Clockwise: From top left: Pico Quamado, meetings in Rio Negro – from left to right - Mr Juan Pablo Espinola the Secretary of Mines, Mr Neil Stuart Dark Horse Director, the Honorable Alberto Weretilneck Rio Negro Governor, Mr David Mason Dark Horse Director, Mr Tomas Heredia Trendix Director.

Nirihuau Coal Project (Continued)

Sunset Power

Sunset Power is led by Trevor St Baker, who has more than 50 years' experience in the energy industry including 20 years in planning and leadership roles within New South Wales and Queensland Government-owned electricity companies. Sunset Power, under Mr St Baker's leadership, founded ERM Power Limited and developed it into the successful energy provider that it is today. The Sunset Power Group recently acquired from New South Wales Government the business and assets of Delta Electricity, associated with the Vales Point Power Station, located in Lake Macquarie. Sunset Power personnel were also separately part of the business development team of CS Energy who planned and procured the 750 MW Kogan Creek power station in Queensland, a current "world-best-practice" clean coal-fired Queensland power station, the latest engineered version of which will be considered for a possible Argentinean power station development by the DHR and Sunset Power.

Electricity Sector in Argentina and the Rio Negro Province

Argentina is presently suffering restricted access to cost-effective energy and power. The development of a mine mouth coal fired power station within Rio Negro would help to address the issue and support sustainable growth of the Rio Negro Province economy.

The Province is more sparsely populated than other provinces, with the main industries being agriculture, fishing, oil and gas, and tourism. Cost-effective power would allow (and attract) other industries, including down-stream processing of agricultural and derivative products and create substantial employment.

Argentina has approximately 29,000MW of installed capacity, 1,500MW of which is considered peak power and 3,500MW of which is over 30 years old and nearing the end of its life. Demand is reaching 24,000MW in peak periods with limited to no spare capacity. This in turn has caused some brown outs across the country. Following the 2001 financial crisis in Argentina, measures were implemented to shield the Argentine consumers from substantial increases in electricity and gas prices caused by the devalued Argentine peso. Today, the Government is still heavily subsidising the electricity sector and importing expensive hydrocarbons to generate electricity. Dark Horse believes there is an opportunity to generate cost-effective electricity through coal fired power without the need for government subsidies.

There are two existing coal fired power stations in Argentina. The 240MW plant located near the Rio Turbio coal mine in Santa Cruz Province (Patagonia) and the 650MW San Nicholas plant in Buenos Aires Province. The former is supplied by the state owned coal mine, which extracts lower quality coal and has difficulty in providing enough fuel to allow the power station to operate at full capacity. The San Nicholas plant runs on a mix of imported coal and fuel oil.

EIA Approval and Exploration to Commence in 2016

Following the November 2015 meetings with Government officials, Dark Horse's Joint-Venture Partner (Trendix), was informed that their application for environmental approval to carry out exploration work had been granted. Exploration work, including drilling, is planned to commence in the first half of 2016.



Figure 1: Location of Marayes and Pico Quemada Projects, Argentina

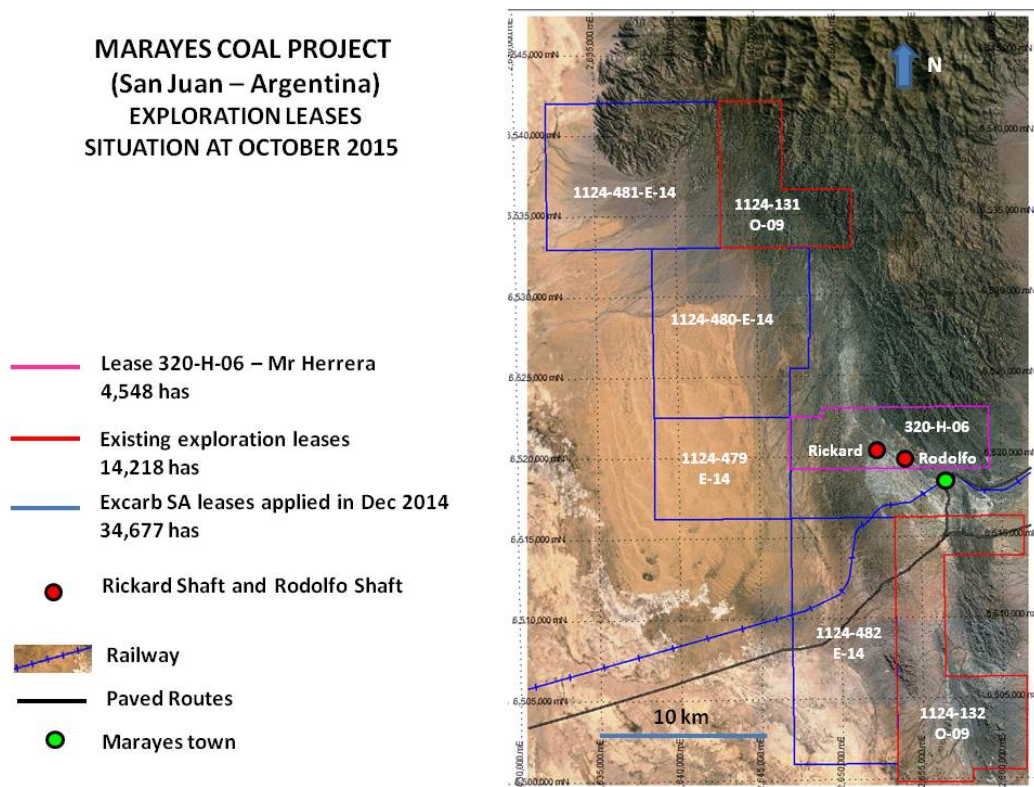


Figure 2: Excarb's Marayes Coal Project Tenement (Cateo) and Application Package

Marayes Coal Project – San Juan Province, Argentina

During the Quarter the Company expanded its tenement holdings in the Marayes Coal Project by executing an Option to Purchase with the individual owner, Mr Alberto Herrera, for an interest of 100% of the lease covering the main historical Marayes mining area in the San Juan province of Argentina. The lease area, marked in pink in Figure 2 (320-H-2006), is located in the heart of the known coal occurrences at Marayes and, as such, is a significant acquisition for Dark Horse. The lease is 4,548 hectares and includes the old Rickard and Rodolfo mine shafts and associated inclines (refer Figures 3 and 4 below).

Historical records make reference to the Mines of Rickard, Rickard Extension and Eloisa; and Shafts – Rodolfo and Olivero; and Galleries (drifts) - Rickard, Pagni and Larrosa. These are shown in detail on old surveyed maps, and extend over several square kilometres of area. Coal was mined during the 40's and 50's and used for steam raising and metallurgical purposes.

The seams mined at Rodolfo are believed to be at a depth of 12m to 13m and through a series of galleries (inclines), mapped for a total length of 430m. The seams mined are believed to be a part of the lower I and II sequence. There are two distinct coal seams of around one meter in thickness within an interbanded sequence (carbonaceous mudstones), with dips between 6 and 10 degrees.

Dark Horse has traced some thin carbonaceous/coaly outcrops on surface for a distance of some 4kms northwest of the Rickard shaft, which indicate the presence of the seam sequence over a reasonable strike length. Outcrops consisted of thinly, interbanded carbonaceous mudstone and minor coal, some bright. Additionally, some similar carbonaceous/coaly outcrops exist some 500m south of Marayes township, indicating the continuity of the sequence in a southerly direction from the Rickard mining area. Regional geological maps show the carbonaceous sequence existing over a much larger distance to the north and south of Marayes (~40kms).

Greater Argentina

A new national President was elected in Argentina on the 22nd November 2015. The President elect is Sn Mauricio Macri who is from the opposition alliance Cambiemos ("Let's Change"), which is a conservative-centre-right party with a developmental agenda aiming to attract private capital from both within Argentina and internationally. His election ends a 12 year period government by the Frente para la Victoria party held by Nestor and Cristina Kirchner.

Mining companies, businesses and investors in Argentina, and offshore, are optimistic that the new President will aim to introduce measures to create economic stability.

NavGas (Australian Oil & Gas Projects)

No substantive work on the Company's oil and gas portfolio was undertaken during the quarter.

Dark Horse Resources (US Gold Projects)

The Company is in dispute with Genesis Gold over the nature and structures associated with the New Mexico and Nevada projects. Specifically, litigation continues in the District Court of Nevada in respect of the Carlin East project in Nevada.

The Company has not committed to any further exploration or expenditures on these two projects until such time as matters with Genesis Gold have been finalised.



Figure 3: The Company's Argentinean Country Manager, Gustavo Delendetti, at the Rickard#1 Shaft, the larger of the two known shafts in this area.



Figure 4: Rodolfo historical shaft, mine workings and waste dumps.

Dark Horse Resources (Australian Projects)

On 20 January 2016, the Company was advised that it had been awarded 4 new mineral tenements in South Australia (effective 26 November 2015), with one further application still pending. These tenements overlie part of the gas applications of NavGas Pty Ltd.

EXPLORATION ACTIVITIES PLANNED FOR MARCH 2016 QUARTER

Nirihuau Coal Project - Argentina

A site visit is planned for the coming quarter in order to continue to scope out a definitive work program for exploration and resource definition drilling and coal quality testing within the next 6-12 months. The primary objectives are to commence definition of the coal resources to upgrade them into JORC international resource standards. There has been a reasonable amount of exploration drilling carried out in the past, which identified a significant amount of coal and led to the Pico Quemado resources being mined by underground methods in the 1950's. As outlined in full in the ASX release of 26 August 2015, the Company has an Exploration Target for the Nirihuau Coal Project of approximately 75 million tonnes to approximately 125 million tonnes of coal with an energy (calorific) range of approximately 6,000 Kcals/kg to approximately 7,400 Kcals/kg.

Marayes Coal Project - Argentina

Exploration will continue to be advanced over the Company's tenements suite, with a phase of resource definition drilling planned in the next semester. Statutory application procedures have been commenced in respect of this work.

CORPORATE ACTIVITIES

At the AGM convened by the Company in the last Quarter, the Company received approval to, amongst other things:

- Allot a further 17 million "milestone" shares to the vendors of Excarb Pty Ltd, triggered by the execution of the farm-in arrangements for the Pico Quemado Coal Project with Trendix Mining;
- Allot, for the ensuing 12 months, shares in the Company to Directors in lieu of Director's Fees;
- Change the name of the Company from Navaho Gold Limited to Dark Horse Resources Limited.

INTERESTS IN TENEMENTS

Refer Appendix A to this report.

Competent Persons Statement

The information herein that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Neil Stuart, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Neil Stuart is a Director of Dark Horse Resources Ltd.

Mr Stuart has more than five years experience which is relevant to the style of mineralisation and type of deposit being reported and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). This public report is issued with the prior written consent of the Competent Person(s) as to the form and context in which it appears.

For further information contact:

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APPENDIX A TO QUARTERLY ACTIVITIES REPORT

INTEREST IN TENEMENTS HELD IN THE QUARTER

As at the date of this report, the Group has an interest in the following tenements.

Australian Tenements

Four new mineral tenements in South Australia were granted during the Quarter.

Tenements held in Australia are as follows:

Tenement	Location	Current Holder	% Interest	Granted
Torrens (EL 5638)	South Australia	Dark Horse Resources Ltd	100% (12 month term)	2 July 2015
Parachilna (EL 5690)	South Australia	Mingoola Gold Pty Ltd	100% (2 year term)	26 Nov 2015
Wallerbedina (EL 5693)	South Australia	Mingoola Gold Pty Ltd	100% (2 year term)	26 Nov 2015
Kallioota (EL 5694)	South Australia	Mingoola Gold Pty Ltd	100% (2 year term)	26 Nov 2015
Monument (EL 5695)	South Australia	Mingoola Gold Pty Ltd	100% (2 year term)	26 Nov 2015
Roma Shelf (ATP 1183)	Queensland	NavGas Pty Ltd	100% (6 year term)	1 July 2014

USA Tenements (Note that the USA tenement interests are in dispute as outlined in the body of the Report)

No new tenement areas were granted during the quarter.

At the end of the quarter, the Company retains an interest in one (1) project in Nevada and five (5) projects in New Mexico and currently has an interest in, or holds options and farm-in agreements over, the following claim areas:

Tenement	Location	Current Holder	% Interest
NCAR 1-6	Nevada, USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NCAR 8-9	Nevada, USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NCAR 11-12	Nevada, USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NCAR 14-25	Nevada, USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NCAR 27-30	Nevada, USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NCAR 32-108	Nevada, USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NC 109-114	Nevada, USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NC 116-119	Nevada, USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NC 121-217	Nevada, USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
NC 300-336	Nevada, USA	Genesis Gold LLC	CED Gold LLC earn up to 100%
CC 178	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 189	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 192	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 194	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 195-198	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%

Tenement	Location	Current Holder	% Interest
CC 203-205	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 217-222	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 226-227	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC307-309	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
CC 407-409	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 201	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 207	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 307-309	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 405-406	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 711	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 715-716	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 1110	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
TB 1210	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
LSP 108-109	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
LSP 104-115	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
FR 186-188	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
GR 130-131	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%
GR 136-137	New Mexico USA	Oryx Resources Inc	Big Iron Resources earn up to 51%

Argentinean Tenements

No new tenement areas were **granted** during the quarter at either Marayes or Pico Quemado.

The interests held by the Company are as follows:

Tenement	Location	Current Holder	% Interest
407 – 2008	Marayes, Argentina	Excarb SA	100%
408 – 2008	Marayes, Argentina	Excarb SA	100%
409 – 2008	Marayes, Argentina	Excarb SA	100%
1124 – 131	Marayes, Argentina	Excarb SA	100%
1124 - 132	Marayes, Argentina	Excarb SA	100%
30.143-M-2005	Rio Negro, Argentina	Dark Horse	Dark Horse can earn up to 75%
29.092-M-2004	Rio Negro, Argentina	Dark Horse	Dark Horse can earn up to 75%
33.030-M-2008	Rio Negro, Argentina	Dark Horse	Dark Horse can earn up to 75%
37.058-M-2012	Rio Negro, Argentina	Dark Horse	Dark Horse can earn up to 75%
37.150-M-2012	Rio Negro, Argentina	Dark Horse	Dark Horse can earn up to 75%
40.039-M-2015	Rio Negro, Argentina	Dark Horse	Dark Horse can earn up to 75%