



ASX Announcement

19 September 2016

Dark Horse Gold Project Update

Carlin East Litigation

The Board of Directors of Dark Horse Resources Ltd (Dark Horse, ASX: DHR) wishes to provide the following update in relation to the litigation (Proceedings) before the United States District Court, District of Nevada commenced by Genesis Gold Corp (Genesis) against DHR's US subsidiary CED Gold, LLC (CED).

The Proceedings were in relation to an Option Agreement entered into on or about August 23, 2010 by Genesis and CED (Option Agreement) under which CED was entitled to earn various interests in the Carlin East mineral tenements in Nevada (Carlin East).

Dark Horse had claimed that the Option Agreement had been varied via correspondence exchanged by the parties, resulting in a 20% interest being held by CED in Carlin East.

Genesis commenced the Proceedings against CED alleging: (1) breach of contract; and (2) a declaration that the Option Agreement had been terminated by CED's alleged default.

CED had counterclaimed for: (1) a declaration that the Option Agreement had been modified (the Amended Agreement) through mutual assent of the parties; and (2) breach of the Amended Agreement by anticipatory repudiation.

Genesis moved for defensive summary judgment against the counterclaims and for summary judgment on its own claims and on Friday 16 September 2016 the Nevada District Court handed down a judgement finding that Genesis was entitled to summary judgment against the counterclaim for a declaration that the Option Agreement was modified, and also therefore against the counterclaim for anticipatory breach of the Option Agreement.

Dark Horse, via CED, does not intend to appeal the decision. As a result, the Company will now write off the carrying value of the Carlin East project in its 30 June 2016 financial statements.

Dark Horse will consider its position with respect to the New Mexico gold projects, which are also in dispute between Dark Horse and Genesis (although not subject to court action) and update the market in due course.



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Primarily the Company will continue to focus its efforts on progressing its coal, power and lithium projects in Argentina.



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About Dark Horse Resources:

Since listing on the Australian Stock Exchange in 2011, Dark Horse Resources (formerly Navaho Gold) has slowly evolved into a diversified exploration company, with interests in gold projects in the USA, numerous mineral licences in Australia, oil and gas projects in Australia (held via NavGas Pty Ltd), and coal and lithium projects in Argentina.

The Company's coal projects in Argentina consist of the Marayes project (San Juan province) and the Nirihuau project (Rio Negro province). Both projects are located within close proximity to access to existing rail networks with links to industrial areas and ports.

Dark Horse has recently entered into an exclusive option arrangement to acquire an Argentinean company with rights to acquire lithium projects and mines in two separate provinces of Argentina.



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