



Quarterly Activities Report for the Period Ended 31 March 2019

DARK HORSE RESOURCES LTD

ASX Code: DHR

Shares on Issue
1.92 billion

Market Capitalisation
A\$9.6M (at A\$0.005 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

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HIGHLIGHTS

- Reverse Circulation drilling program at the Las Opeñas Gold project commenced in this quarter.
- Eight (50 degree) inclined holes have been drilled to the end of this quarter for a total of 737 metres.
- Interesting vein drill-intersections at shallow depths with mineralised rock chips have been observed in the drilling samples.
- Southern margin of a large volcanic caldera has been interpreted at the Cachi project and a ground magnetics geophysical program is underway.
- Due diligence on the San Jorge Lithium Brine Project has been extended with vendor agreement to allow the vendor sufficient time to finalise his administrative matters in Catamarca. Deal conclusion is expected during the next quarter.
- Payments to the Pampa Litio vendors have been halted whilst the parties await the San Luis Mining Authority to issue permits for drilling.
- Dark Horse Energy Holdings continues to examine energy project opportunities in Argentina, Australia and globally.
- Lakes Oil NL (31% owned by Dark Horse) announced a non-renounceable 1 for 5 Entitlement Offer to existing Shareholders to raise \$6.13m to drill and test the Nangwarry-1 well, located in the onshore Otway Basin in South Australia.
- New project opportunities continue to be reviewed.

REVIEW OF PROJECTS AND ACTIVITIES

Dark Horse Resources Ltd (Dark Horse, the Company, ASX:DHR) is a mineral resource company with a particular focus on Argentina. The Company currently has the following activities and interests:

- A. Argentinean Gold Projects**
- B. Argentinean Lithium Projects**
- C. Dark Horse Energy Holdings**
- D. Interest in ASX-listed Lakes Oil NL**
- E. New Project Opportunities**

The Company continues to explore its current large suite of lithium and gold projects and to review new project opportunities presented to it via various business and industry connections. Dark Horse's primary objectives are to:

- define substantial lithium resources, mine spodumene and brine, and produce high grade lithium products for the domestic and international battery and electronic markets; and
- discover and define several multimillion-ounce gold deposits.

Additionally, the Company continues to sponsor and support the initiatives of Dark Horse Energy Pty Ltd, as it progresses discussions in relation to various power generation opportunities.

Dark Horse's 31% holding in Lakes Oil NL is a passive investment, which we believe will ultimately create significant wealth for the Company. The Company does not presently intend to dispose of this holding.

Dark Horse is run by an experienced Board and management team, with significant combined project generation and exploration, South American, capital market, legal, financial and corporate management experience:

- Dark Horse Chairman Nicholas Mather has a wealth of experience and has been instrumental in the creation of resource companies with a special area of expertise in the entry of undervalued or unrecognised resource exploration opportunities, adding value and creating wealth for shareholders and stakeholders. He is currently CEO of DGR Global which holds interests in IronRidge Resources, Aus Tin Mining, Armour Energy and SolGold plc, for which he is also CEO. He was formally involved in Arrow Energy, Waratah Coal, Bow Energy and Orbis Gold.
- Managing Director David Mason has a broad corporate, management and mining background achieved through working in the exploration and mining industry for 35 years throughout Australasia, Asia, Southern Africa and South America. David has been responsible for the discovery and resource definition of a number of resource projects worldwide which have been funded and developed into successful mines.
- Jason Beckton is a Non-Executive Director and adds significant technical and commercial expertise to the Company achieved by over 25 years of geological and corporate experience throughout Australia, the Americas, China and Europe. He is currently the CEO of Prospech Limited, an unlisted Australian public company with gold projects in Europe.
- Brian Moller rounds off the Board composition. He is a corporate partner in the Brisbane based law firm Hopgood Ganim and acts for many publicly listed resource and industrial companies, holds several board positions on publicly listed companies, and brings a wealth of experience and expertise to the board particularly in the corporate regulatory and governance areas.

Dark Horse's current suite of Argentinean projects is shown in **Figure 1**.

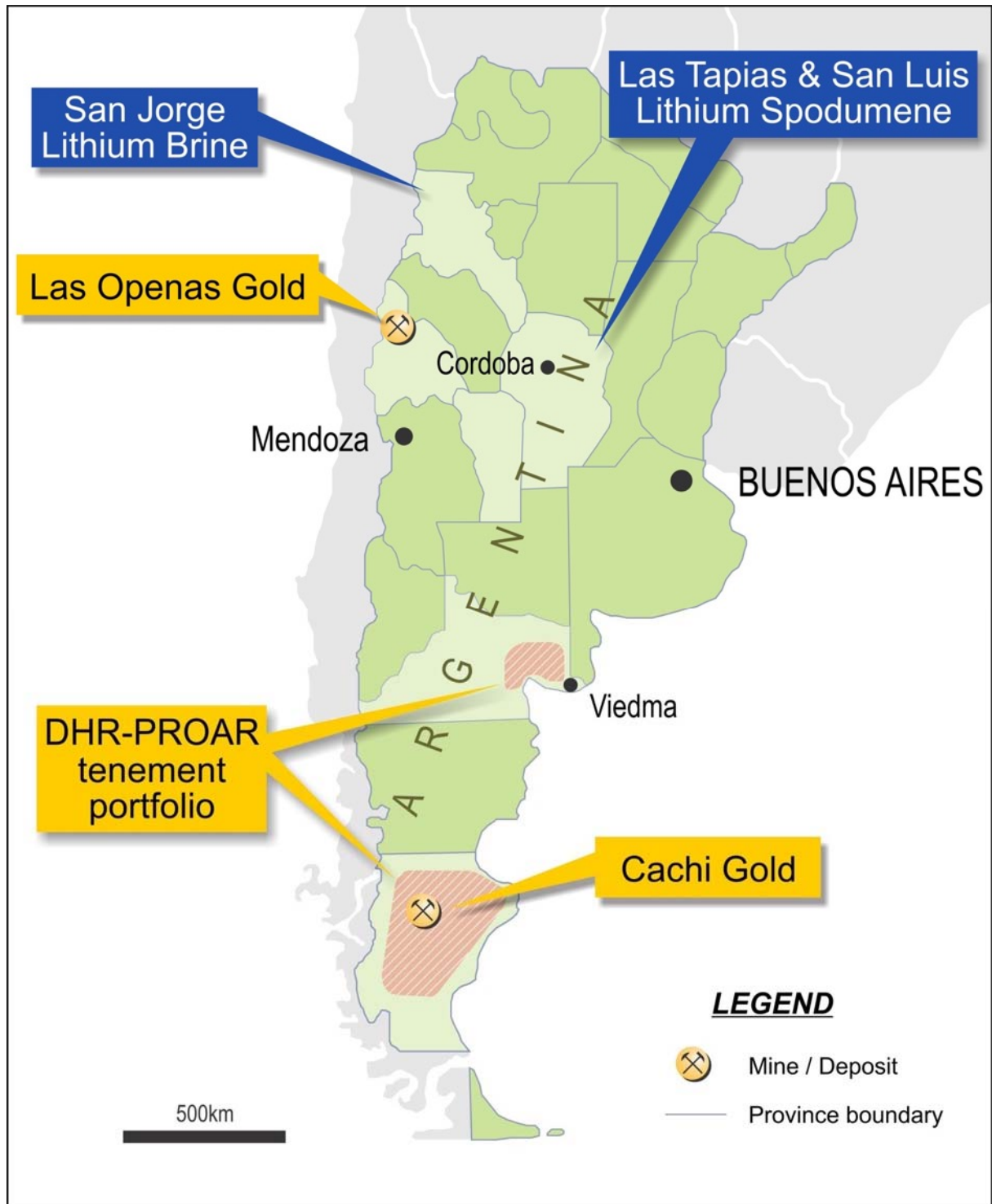


Figure 1 - Location of Dark Horse's mineral projects in Argentina.

A. Argentinean Gold Projects

Dark Horse has a large portfolio of gold properties in the Santa Cruz, Rio Negro and San Juan provinces of Argentina (refer **Figure 1**). Across these properties the Company is continuing surface exploration and drilling programs. These projects include:

- The Cachi project in Santa Cruz where recent exploration has proved some high potential gold bearing epithermal vein systems;
- The Las Opeñas Gold Project in the San Juan province where drilling has commenced;
- A large suite of other properties throughout Santa Cruz province, providing high grade gold and silver values; and
- A suite of properties in the eastern part of the Rio Negro province, previously proven to contain potential for precious and base metals, which are currently under review.

Santa Cruz Gold Projects

The Company continues with surface exploration works across its portfolio of Santa Cruz precious metal projects (**Figure 2**) particularly at the Company's flagship precious metal project, Cachi. The mineralised prospects identified to date within the Cachi tenement suite including Vetás Cachi, El Cruce, Morena, Vetás NW and Los Bloques (**Figure 3**) have been interpreted to define the southern side of a probable large circular, andesitic caldera structure. This feature has an approximate diameter of 8km which covers a significant portion of the Cachi lease suite. Associated cut back or ring faults have been identified on the margins of this feature.

This "caldera margin" location is similar to the host location of high grade gold-silver mines at both Yamana's Cerro Moro Project and Hunt Mining's Marta Mine in Santa Cruz. In both cases, ground magnetics was critical in the discovery of key high grade shoots. At Cerro Morro mineralization is associated with north-west and east-west trending inflexions on dextral faults around the pre-mineral caldera centre which were defined by the magnetics. Similar oriented structures have been mapped on the Cachi Project, which has never been drill tested.

A ground magnetics program commenced at Cachi during March 2019 with objectives to define the structural traps, which may host economic mineralization as indicated by the surface sampling. Gold (Au) grades vary up to a maximum of 9.72 g/t and silver (Ag) up to 226 g/t. Strong anomalism is also seen in arsenic and antimony.

Drilling is planned to commence following winter in September-October 2019. Environmental permitting is in process for this phase of work.

Experienced geologists Matt Houston and Glen van Kerkvoort have been engaged by the Company under the management of Dark Horse Director Jason Beckton and geological consultant Trevor Leahey to provide expertise in the analysis of our exploration data to ensure optimal targeting of potential mineralized structures. Glen and Matt have significant experience in South America which includes the discovery and evaluation of such deposits as Caspiche and Cerro Morro. Glen and Matt both have direct expertise over the last 20 years in Argentina, including geological mapping at an early stage and steps toward selection of critical early stage drilling.

Dark Horse has completed a detailed evaluation phase of its large suite of mineral properties in the Santa Cruz province over the past 18 months and relinquished those leases which hold minimal potential for the cost-effective discovery of shallow, epithermal precious metal ore bodies. Four major, prospective lease areas have been retained. Twenty have been relinquished. This significantly reduces the monthly management and administrative expenses for the Company.



Figure 2 – Overview of Dark Horse properties in Santa Cruz with the Cachi lease suite shown in blue.

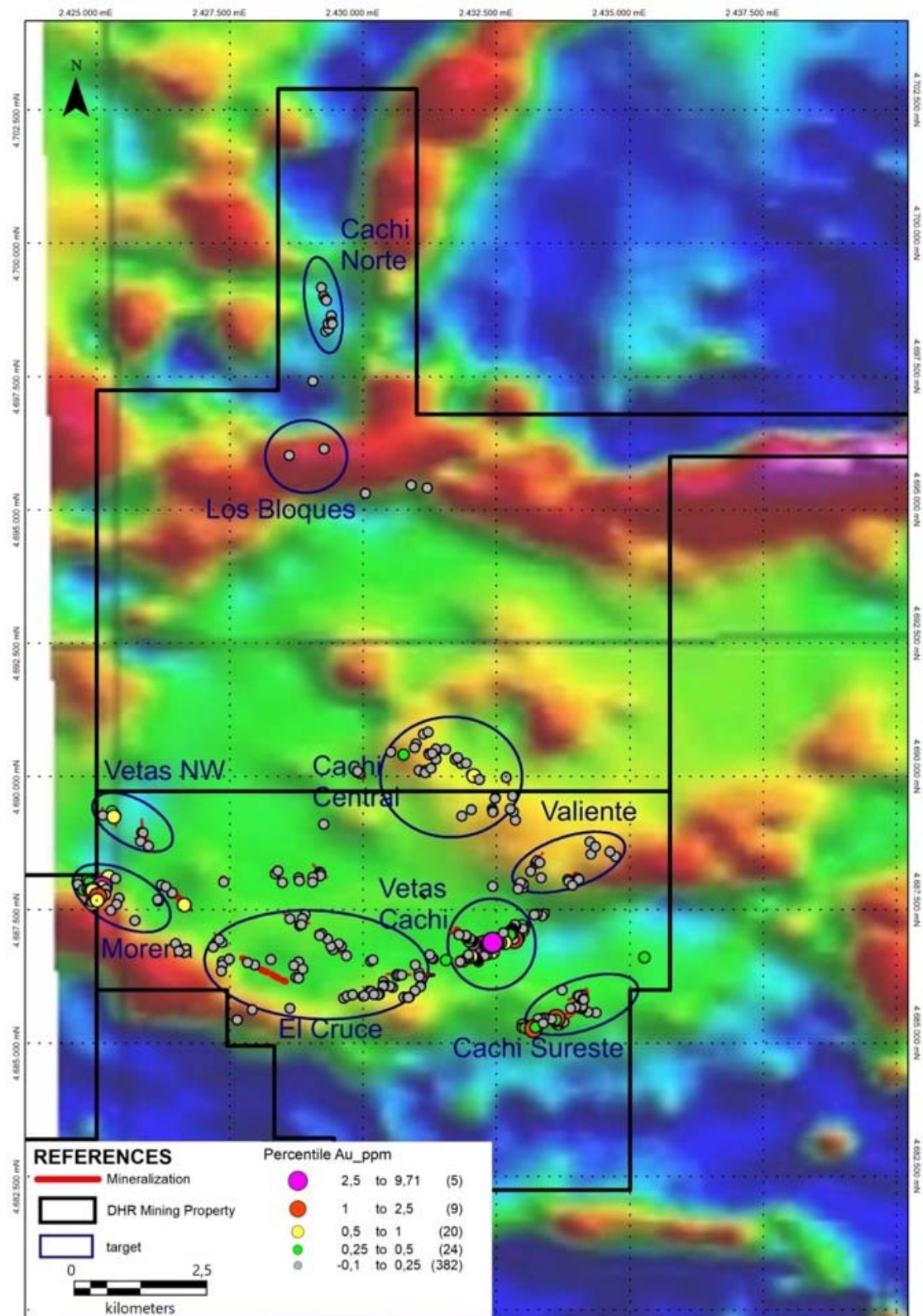


Figure 3 - Definitive circular feature shown from a regional magnetics image, which has been interpreted as a probable large andesitic caldera structure. The main Cachi mineralised target areas are shown with corresponding gold rock chip sample geochemistry results.



Photo 1- Senior Dark Horse Argentine geologists at the Vetás Cachi target area within the Cachi lease suite with Director Jason Beckton examining the caldera architecture.

[Las Opeñas Gold Project](#)

Dark Horse Resources entered into an Exploration Agreement with Option to Purchase with Genesis Minerals (Argentina) SA to acquire up to 100% of the Las Opeñas Gold Project in Argentina through a series of staged cash and share payments over 3.5 years, weighted towards the end of the period and earning equity progressively, totalling USD880,000 and 90 million DHR shares (refer ASX Announcement dated 22 January 2019).

The Las Opeñas Gold Project is a 1,462ha lease located in the north-western region of San Juan Province, Argentina at an elevation of between 2,800m and 3,500m (**Figure 4**). The region is host to numerous third-party, multi-million-ounce epithermal style gold-silver deposits in the Andes Mountains including Veladero (12Moz), Pascua Lama (18Moz), Gualcamayo (2Moz) and Casposo (0.45Moz) in San Juan Province and El Indio (8Moz) in neighbouring Chile (refer **Figure 4**).

The Las Opeñas property was previously explored by Teck Resources Limited from 2005 to 2012 and more recently by Genesis Minerals. Teck carried out a significant amount of exploration and discovered two main, and different, target areas – a breccia target hosting a gold porphyry system in the south-west, and a vein target hosting an epithermal gold system in the central-west. Teck drilled the breccia target, completing 22 diamond holes for a total meterage of 3,899m.

Dark Horse has focussed its initial interest on the epithermal gold system where gold-silver mineralization occurs in high grade veins, vein breccias and stockwork zones, principally in a granite. The quartz vein systems were not drill tested by Teck/Genesis. In outcrop, individual veins are in the order of 0.1m to 0.5m in width, with continuous strike extents up to 500m however, they can be traced discontinuously for up to 1km. There are 6 major mineralized vein sets, each composed of multiple en echelon veins. The vein sets have average widths of 30m to 50m and a cumulative strike length of 6km. The mineralized veins can contain pyrite, arsenopyrite, chalcopyrite and galena and are geochemically anomalous in As-Bi-Mo-W-Sn-Te, target elements of gold-silver mineralisation systems.



Figure 4: Location of the Las Opeñas Gold Project in the province of San Juan and other nearby significant gold projects (owned by third parties).

Dark Horse commenced an initial Reverse Circulation drilling program targeting the high grade gold, silver and base metal epithermal veins at the Las Opeñas during this quarter (refer **Figure 5**). Major Drilling (Major Perforaciones SA) is carrying out the work utilising a multipurpose UDR650 track mounted machine (refer **Photo 8**).

Several vein systems are being drilled in the current program, locally named Rock Oven Target, Tramway Target and Tabano Target, as shown in red on the location figure below (**Figure 5**). Eight (50 degree) inclined holes have been drilled to 31 March 2019 for a total of 737 metres.

There have been some interesting vein drill-intersections at shallow depths with mineralised rock chips observed in the drilling samples. Several of these are included in the **Photos 2 to 7** below.

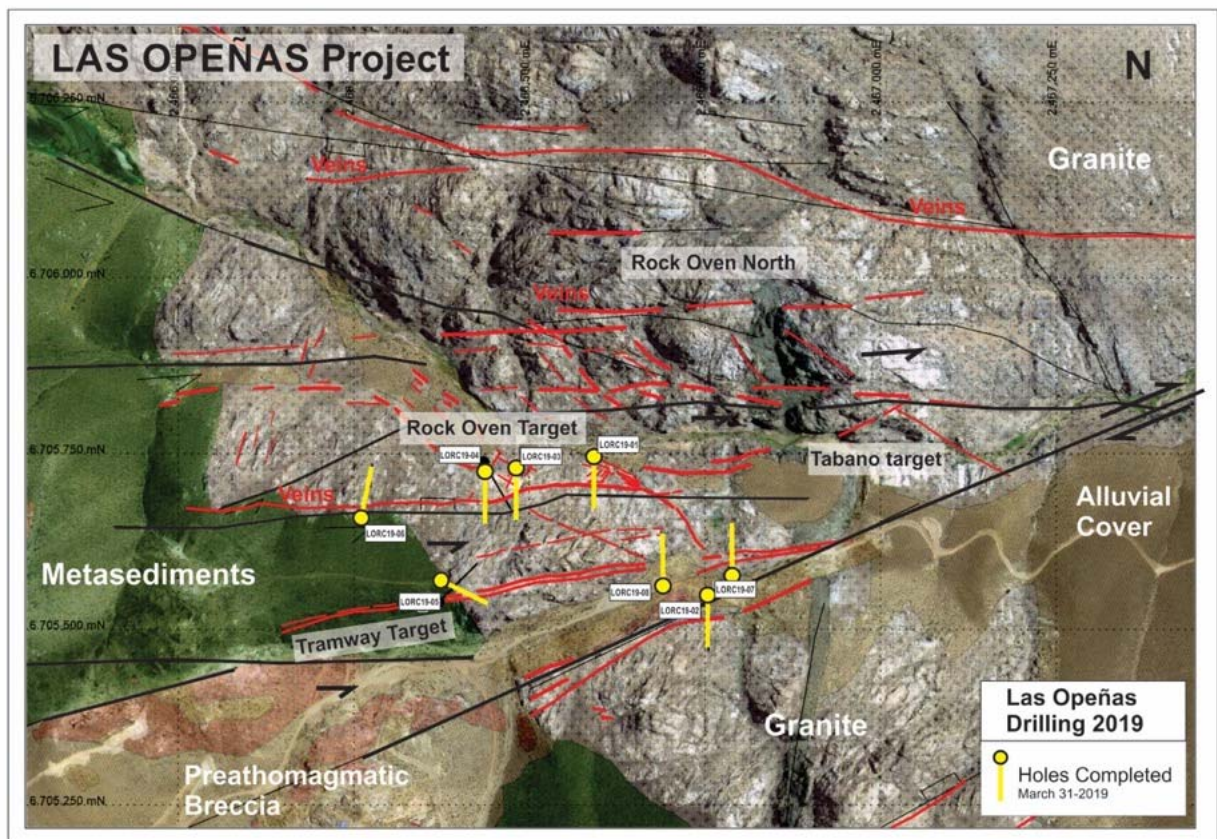


Figure 5: Drill hole locations completed as at 31 March 2019.



Photo 2 (left). Hole LORC19-01, Rock Oven Target vein. Crystalline quartz with pyrite, sphalerite and arsenopyrite, some argillic alteration. **Photo 3 (right).** Hole LORC19-02, Rock Oven Target vein. Sulfide banded veinlets: pyrite, sphalerite, black silica banded.



Photo 4 (left). Hole LORC19-03, Rock Oven Target vein. Crystalline and chalcedonic quartz, with some banded chalcedonic quartz: pyrite sphalerite, black silica. **Photo 5 (right).** Hole LORC19-03, Rock Oven Target vein. Massive sulfides: pyrite, arsenopyrite, sphalerite, jarosite, some chalcopyrite.

Samples are being assayed in an internationally recognised laboratory in Argentina. Once complete assay results are obtained, they will be evaluated and then reported by the Company during the next quarter.



Photo 6 (left). LORC19-07, Tramway Target vein. Sulfides in chalcedonic quartz vein-breccia: pyrite, sphalerite, arsenopyrite. **Photo 7 (right).** LORC19-07, Tramway Target vein. Chalcedonic quartz vein with some brecciation: red sphalerite, pyrite, some chalcopryite.



Photo 8. Drilling underway at the La Opeñas Gold Project. Hole LORC19-08 at the Tramway Target vein.

B. Argentinean Lithium Projects

The Company holds an extensive portfolio of lithium spodumene projects in the provinces of San Luis and Cordoba shown in **Figure 6**, through an agreement to acquire Argentinian company, Pampa Litio SA. Dark Horse currently owns 25% of Pampa Litio SA. Whilst the Company awaits the San Luis Mining Authority to issue permits for drilling, an extension of time has been agreed between the parties before the next stage of obligations is met (payment of 20 million DHR shares to take the Company's holding in Pampa Litio to 45%).

Dark Horse also continues its due diligence on the San Jorge Project, a lithium brine property in the Catamarca province, Argentina shown in **Figure 7** with deal conclusion expected next quarter.

The Company's short-term objective is to produce spodumene concentrate from the central Argentinean projects creating early cash flow and introducing lithium products to the market. Dark Horse has a defined work program which includes resource definition, JORC Reporting and feasibility, culminating in mining and infrastructure development. Dark Horse is seeking a strategic partner to support and fund this work program. In return, Dark Horse will provide a 100% lithium products offtake. Future sales may extend into a new domestic market for lithium products as the economy in Argentina continues to transform under the market-reformed government.

The Company's long-term strategic objective with respect to Lithium is to define large, high grade lithium brine and spodumene resources and produce high grade Lithium Carbonate and/or Hydroxide.

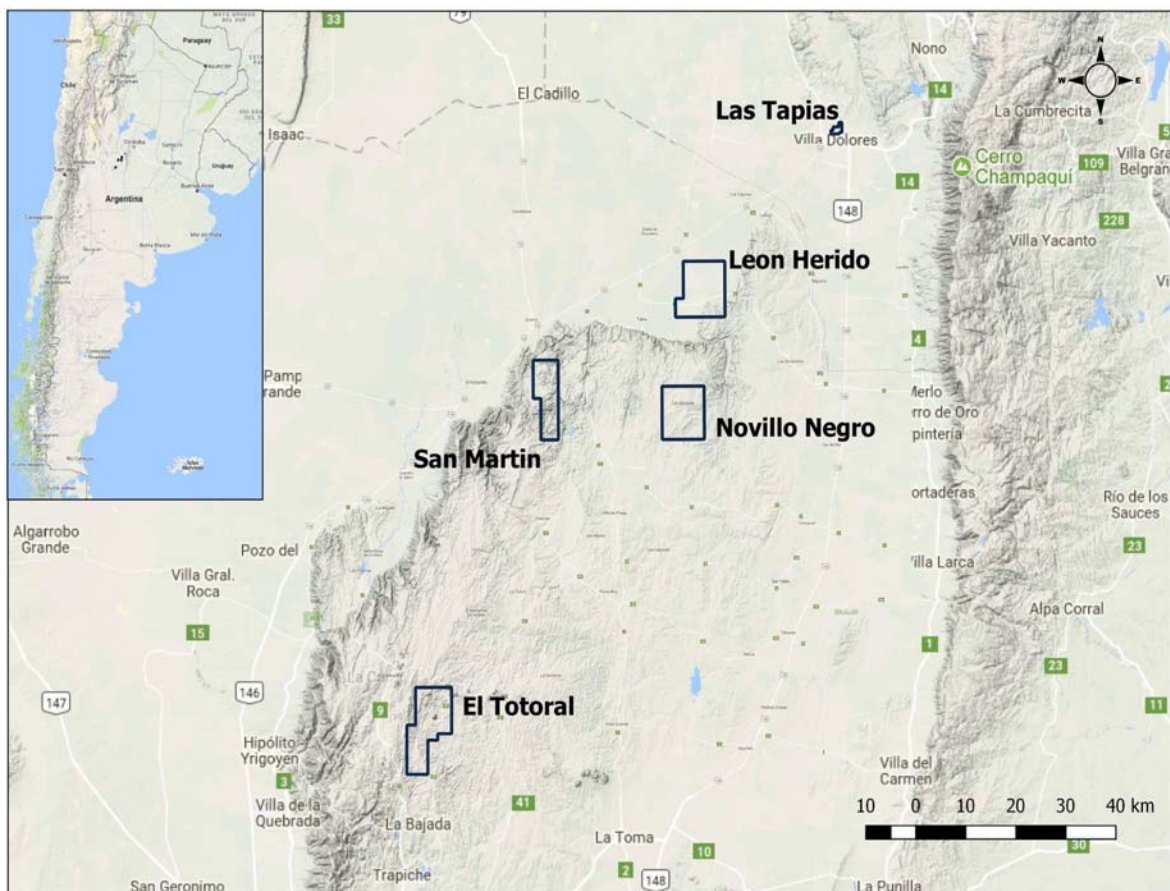


Figure 6 - Location of Dark Horse Spodumene Lithium projects in Argentina.

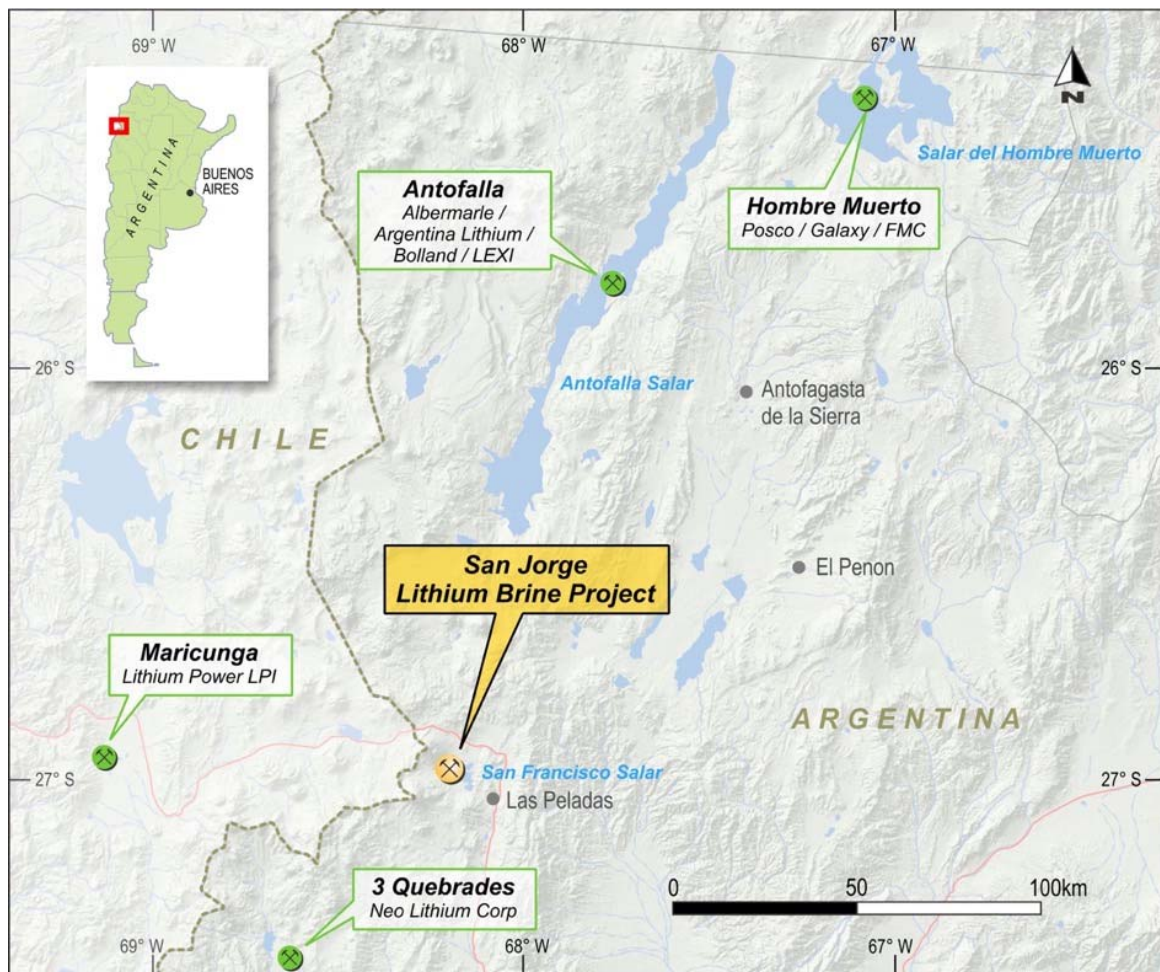


Figure 7 - Location map showing the location of the San Jorge lithium brine project in Catamarca province surrounded by other significant lithium brine projects.

[San Luis Lithium Spodumene Projects](#)

The government situation in San Luis province has not changed since the December Quarterly Activities Report (see ASX Announcement 31 January 2019) and the Company awaits the San Luis Mining Authority to issue permits for drilling. Additionally, we understand the government is considering establishing an updated mining code as per other Argentine provinces. There are upcoming provincial government elections, which may slow the decision making for this project.

Initial drill targets have been identified at the San Luis Mine pegmatite sequence within the El Totoral exploration lease, which shows abundant spodumene throughout.

[San Jorge Lithium Brine Project](#)

Dark Horse entered into an exclusivity agreement for the option to acquire up to 100% of the San Jorge Project in Catamarca province through a series of staged payments and annual exploration commitments. Dark Horse is carrying out the legal due diligence on the San Jorge Project and is finalising the Definitive Agreement with the vendor. Thirteen (13) exploration licences of the total 15 have been successfully certified, and the remaining two require some additional time for the vendor to complete administrative matters. The parties have agreed to an extension to the due diligence period to allow sufficient time for this to occur.

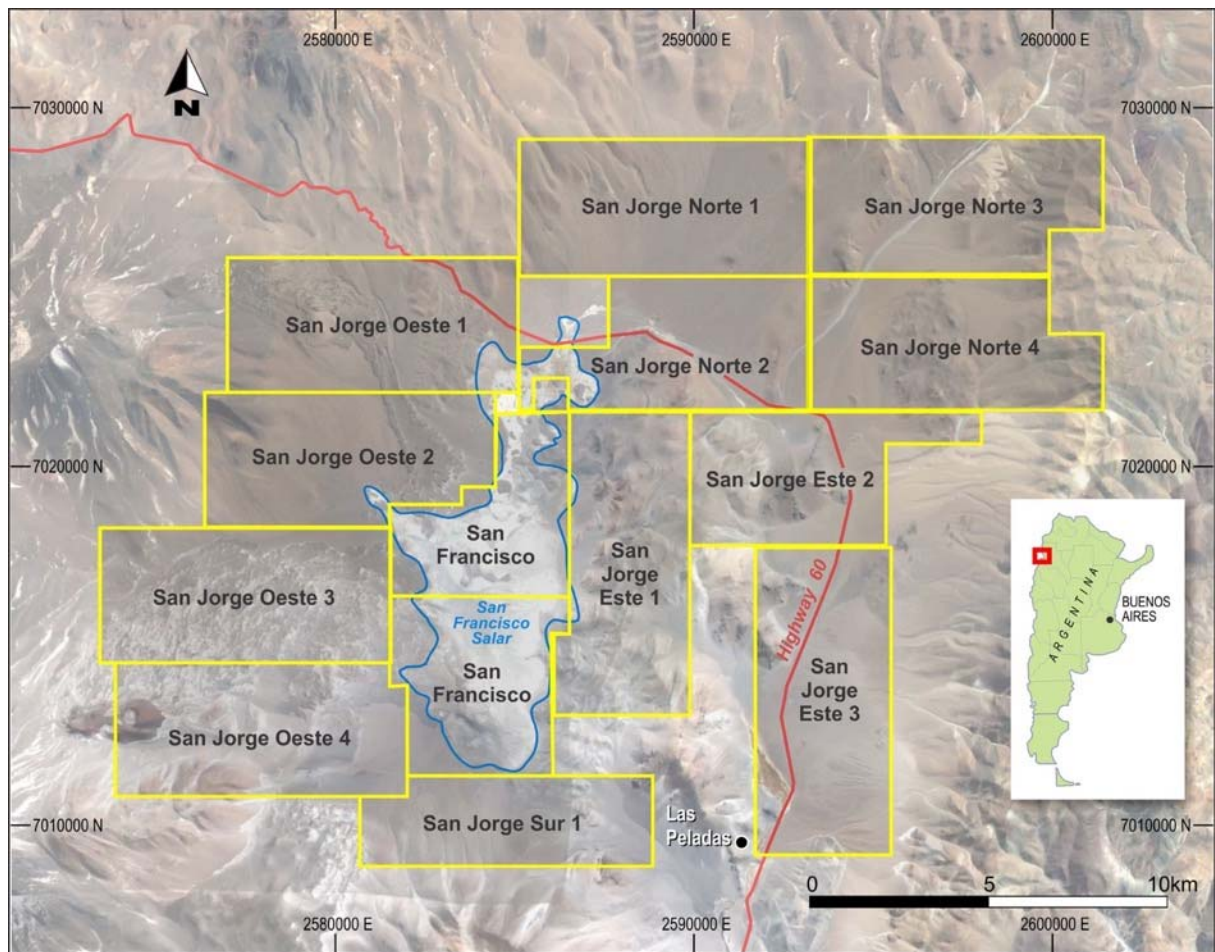


Figure 8 - Tenure map of the San Jorge lithium brine project showing the outline of the large surface San Francisco salar lake.



Photo 9: The San Francisco Salar at surface.

The San Jorge Project is a group of 15 Exploration Licences in Catamarca province, Argentina covering an area of 36,600 hectares over the San Francisco salt lake basin (**Figure 8**). The nucleus of the salar (San Francisco) is approximately 7,000 hectares in area and the project leases covers all of it except a small section in the north (**Figure 8 and Photo 9**).

Dark Horse Managing Director David Mason visited the Catamarca project site in early February with Country Manager and brine expert Marcelo Sanchez to finalise design of the initial exploration program, which will consist of shallow brine fluid sampling to test the near surface lithium content and geophysics to determine the basin size, depth, structure and potential brine zones.

This work will commence immediately following deal conclusion and will provide data to allow the design of a sub-surface drilling program to test the lithium grades and hydrology at depth, and subsequently lithium resources.

C. Dark Horse Energy Holdings

During the quarter Dark Horse Energy Holdings (DHE) reviewed a number of power projects including an early stage integrated pumped storage hydro, solar and wind project in Queensland.

DHE continues to look at thermal power and renewable energy power opportunities in Australia, Argentina and other parts of the world.

D. Interest in Lakes Oil NL

Dark Horse Resources currently holds approximately 13 billion ordinary shares (approx 31%) in ASX-listed Lakes Oil NL. During the quarter Dark Horse contributed \$500,000 to Lakes Oil's entitlement issue raising so as to ensure it has sufficient capital to proceed with drilling the Nangwarry-1 Well in South Australia, which is considered highly prospective for gas.

E. New Project Opportunities

Dark Horse Resources continues to receive multiple offers of project opportunities. These opportunities are reviewed by the Company's in-house geological team and the Board. The Cachi Gold Project, the PROAR projects, five (5) new hard rock lithium leases, the recent San Jorge Project and Las Opeñas Gold Project were secured by Dark Horse as a result of this process.

The Company is continuing to evaluate and consider suitable project opportunities that strengthen and / or compliment the Company's current project focus, and will provide updates to the market should any suitable arrangements be negotiated.

INTERESTS IN TENEMENTS

Refer Appendix A to this report.

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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 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

Province	Tenement Name	File Number	Grant Date	Expiry Date	Status
San Luis	San Martin	47-R-2016			Application awaiting approval
San Luis	El Totoral	48-R-2016			Application awaiting approval
San Luis	León Herido	60-R-2016			Application awaiting approval
San Luis	Novillo Negro	61-R-2016			Application awaiting approval
Córdoba	Piedra Pintada	2013/16			Application awaiting approval
Córdoba	Las Tapias	912/38	06-May-05		Granted
Córdoba	La Rosita	5601/58	17-Jun-80		Granted
Córdoba	San José II	10874/04	9-Jul-05		Granted
Córdoba	La Protectora	1567/41	10-May-07		Granted
Córdoba	San Telesforo	1698/41	7-May-07		Granted
Córdoba	San José	5445/57	7-May-07		Granted
Rio Negro	Gustavo	36061/M/11	30-Oct-18	15-Apr-20	Granted
Rio Negro	Daniel	36062/M/11			Application awaiting approval
Rio Negro	Augusto	36063/M/11			Application awaiting approval
Rio Negro	Marcos	36065/M/11			Application awaiting approval
Rio Negro	Carlos	36067/M/11	30-Oct-18	9-Jul-21	Granted
Rio Negro	Andrés	36068/M/11			Application awaiting approval

Province	Tenement Name	File Number	Grant Date	Expiry Date	Status
Rio Negro	Justo	36069/M/11			Application awaiting approval
Rio Negro	Francisco	36071/M/11	30-Oct-18	6-Dec-21	Granted
Rio Negro	Manuel	36061/M/11			Application awaiting approval
Rio Negro	Ismael	36061/M/11			Application awaiting approval
Rio Negro	Eduardo	36061/M/11			Application awaiting approval
Rio Negro	Aurelio	36061/M/11	1-Oct-18	15-Oct-20	Granted
Rio Negro	Juan	36061/M/11			Granted
Rio Negro	Julian	36061/M/11			Granted
Rio Negro	Braulio	36061/M/11			Granted
Rio Negro	Hector	36061/M/11			Granted
Rio Negro	Giuliano	36061/M/11			Application awaiting approval
Santa Cruz	Sorpresa	427.014/DG/11	1-Nov-17	5-Dec-20	Granted
Santa Cruz	Guardia Sur	427.015/DG/11	1-Nov-17	5-Dec-20	Granted
Santa Cruz	La Linda	427.016/DG/11	14-Mar-18	13-Dec-20	Granted
Santa Cruz	La Elegida	427.017/DG/11			Application awaiting approval
Santa Cruz	La Taba Este	427.018/DG/11	8-Feb-18	7-Jul-20	Granted

Province	Tenement Name	File Number	Grant Date	Expiry Date	Status
Santa Cruz	La Tabá Sur	427.019/DG/11	14-Mar-18	13-Dec-20	Granted
Santa Cruz	Guardia Norte	427.020/DG/11	14-Mar-18	13-Dec-20	Granted
Santa Cruz	Ventisquero	427.021/DG/11	1-Nov-17	5-Dec-20	Granted
Santa Cruz	Verano	427.022/DG/11			Relinquished
Santa Cruz	Invierno	427.024/DG/11	22-May-18	6-May-21	Relinquished
Santa Cruz	Primavera	427.025/DG/11	2-Aug-17	5-Sep-20	Relinquished
Santa Cruz	Otoño	427.026/DG/11	1-Nov-17	19-May-20	Relinquished
Santa Cruz	La Anita Este	427.779/DG/11	27-Mar-18	17-Dec-19	Relinquished
Santa Cruz	La Lomita	427.780/DG/11	7-Jul-17	2-Jun-18	Relinquished
Santa Cruz	Boleadora Este	427.781/DG/11	19-Apr-18	1-Oct-19	Relinquished
Santa Cruz	La Anita Oeste	427.782/DG/11	26-Feb-18	13-Dec-20	Relinquished
Santa Cruz	Florida Negra	427.783/DG/11	21-Jul-17	29-Sep-19	Relinquished
Santa Cruz	Laguna Chica	427.784/DG/11	22-May-18	17-Dec-19	Relinquished
Santa Cruz	La Rosita Norte	427.592/DG/11	8-Feb-18	7-Jul-20	Granted
Santa Cruz	Aguada del Cuero	422.542/LEE/10	11-Apr-18	26-Mar-21	Relinquished

Province	Tenement Name	File Number	Grant Date	Expiry Date	Status
Santa Cruz	Cerro La Taba	422.543/LEE/10	27-Mar-18	4-Jul-20	Relinquished
Santa Cruz	Cerro Tres Picos	422.544/LEE/10	27-Mar-18	23-Aug-20	Relinquished
Santa Cruz	Cañadón Agustín	422.545/LEE/10			Application
Santa Cruz	Aguada Grande	421.624/PG/10			Relinquished
Santa Cruz	Cachi Norte	437.209/TCE/17			Application awaiting approval
Santa Cruz	Cachi	431.870/CL/15			Application awaiting approval
Santa Cruz	Sierra Morena Sur	401.671/MS/07	07-Jun-17		Granted
San Juan	Las Opeñas mine	1124623-T-12			Granted