

# Dark Horse Resources Limited

ACN 068 958 752

## Rights Issue Prospectus

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For a non-renounceable rights issue to Eligible Shareholders of Dark Horse Resources Limited of one (1) New Share for every six (6) Shares held at an Issue Price of \$0.004 per New Share to raise up to approximately \$1,349,748 before costs of the Offer (subject to the Debt Conversion Facility), together with one (1) Attaching Option for each one (1) New Share allotted to acquire one (1) fully paid ordinary Share at an exercise price of \$0.005 on or before 30 November 2019 (**Entitlement Offer**).

Every two (2) Attaching Options will, upon exercise, entitle the holder to one (1) Additional Option having an exercise price of \$0.012 and an expiry date of 31 May 2021.

There is provision for any shortfall under the Entitlement Offer to be issued to Eligible Shareholders or Other Investors (**Shortfall Offer**).

Where the number of shares applied for under the Shortfall Offer exceeds the number of New Shares available, there is provision to issue additional New Shares to Eligible Shareholders or Other Investors up to \$500,000 (**Overallotment Offer**).

**The Offer is not underwritten.**

**This document is important and it should be read in its entirety.**

Your Entitlement and Acceptance Form (for Eligible Shareholders) or Application Form (for Other Investors) must be received by the Share Registry with your payment no later than 5:00pm (AEST) on 26 August 2019. Please refer to the timetable set out in this Prospectus for the important dates.

This is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth). If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, banker, financial adviser or accountant as soon as possible. The securities offered by this Prospectus are considered to be speculative.

## Important Information

### Offer Statistics

<b>Issue Price of New Shares</b>	\$0.004
<b>Issue Price of Attaching Options</b>	Nil
<b>Exercise Price of Attaching Options</b>	\$0.005
<b>Exercise Price of Additional Options</b>	\$0.012
<b>Maximum number of New Shares to be issued under the Entitlement Offer (including any Shortfall)</b>	337,436,929 <sup>(1)</sup>
<b>Maximum number of New Shares to be issued under the Overallotment Offer</b>	125,000,000
<b>Maximum number of New Shares to be issued under the Offer</b>	462,436,929 <sup>(1)</sup>
<b>Maximum number of Attaching Options to be issued under the Offer</b>	462,436,929 <sup>(1)(2)</sup>
<b>Maximum number of Additional Options that may be issued under the Offer</b>	231,218,465
<b>Maximum number of Shares to be issued following issue of the New Shares under the Offer, exercise of the Attaching Options and Additional Options</b>	1,156,092,323 <sup>(3)</sup>
<b>Attaching Options Expiry Date</b>	30 November 2019
<b>Additional Options Expiry Date</b>	31 May 2021

- (1) Excludes any New Shares or Attaching Options which may be issued in the event that any Existing Options are exercised prior to the Record Date.
- (2) Assuming the maximum number of New Shares are issued under the Offer.
- (3) Assuming the maximum number of New Shares are issued and the maximum number of Attaching Options and Additional Options are issued and exercised.

### Key dates for investors

<b>Announcement of Offer</b>	1 August 2019
<b>Lodgement of Prospectus with ASIC</b>	1 August 2019
<b>Lodgement of Prospectus and Appendix 3B with ASX</b>	1 August 2019
<b>Notice provided to Option Holders and Shareholders</b>	2 August 2019
<b>Shares quoted on an 'ex' basis</b>	5 August 2019
<b>Record Date for determining Entitlements under the Issue</b>	6 August 2019
<b>Offer expected to open</b>	9 August 2019
<b>Offer expected to close<sup>(1)</sup></b>	26 August 2019
<b>Shares quoted on a deferred settlement basis</b>	27 August 2019

<b>ASX notified of Shortfall</b>	29 August 2019
<b>Anticipated date for issue of New Shares and Attaching Options</b>	2 September 2019
<b>Deferred settlement trading ends</b>	2 September 2019
<b>Commencement of trading of New Shares on ASX</b>	3 September 2019
<b>Attaching Options expire</b>	30 November 2019
<b>Additional Options expire</b>	31 May 2021

- (1) The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such, the date the New Shares issued under the Entitlement Offer are expected to commence trading on ASX may vary.

Further details regarding the timetable for the Offer are set out in section 2.2. The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time, subject to the Corporations Act and the Listing Rules, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Form or Application Form (as relevant) as soon as possible after the Offer opens.

### Important Notice

This Prospectus is dated 1 August 2019 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on the same date. Neither ASIC nor the ASX nor their respective officers take any responsibility as to the contents of this Prospectus. No securities will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus has been prepared in accordance with section 713 of the Corporations Act. The Offer made pursuant to this Prospectus is for:

- (a) a rights issue of continuously quoted securities of Dark Horse Resources Limited ACN 068 958 752 (**Company** or **DHR**) (as defined in the Corporations Act) to all Eligible Shareholders registered on the Record Date;
- (b) an issue of continuously quoted securities of the Company under the Shortfall Offer to Eligible Shareholders or Other Investors;
- (c) an issue of continuously quoted securities of the Company under the Overallotment Offer to Eligible Shareholders or Other Investors;
- (d) an issue of Attaching Options to acquire continuously quoted securities of the Company (as defined in the Corporations Act) to all Eligible Shareholders or Other Investors who participate in the Entitlement Offer or receive shares under the Shortfall Offer or Overallotment Offer; and
- (e) an issue of Additional Options to acquire continuously quoted securities of the Company (as defined in the Corporations Act) to all Eligible Optionholders who receive and exercise Attaching Options.

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, DHR is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is intended to be read in conjunction with the publically available information in relation to the Company which has been notified to the ASX. Accordingly, the level of disclosure contained in this Prospectus is significantly less than that required under a prospectus for an initial public offering

and Eligible Shareholders and Other Investors should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX and should consult their professional advisers before deciding whether to accept an Entitlement or apply for New Shares under the Offer.

## **Foreign shareholders**

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

The Company has decided that it is unreasonable to make the Entitlement Offer to Shareholders with registered addresses outside of Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to, Shareholders having registered addresses outside of Australia and New Zealand.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia and New Zealand, in which the Company's Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Entitlement Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside of Australia and New Zealand and may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with those restrictions might constitute a violation of applicable securities laws.

See section 2.9 for further information on Entitlement Offer restrictions with respect to Shareholders who do not have registered addresses in Australia.

## **New Zealand**

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

## **United States**

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

## **Eligible Shareholders - How to accept Entitlement to New Shares**

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Prospectus or making payment of

Application Monies by BPAY® in accordance with the instructions set out in this Prospectus and on the Entitlement and Acceptance Form. Eligible Shareholders may also apply for Additional Shares using their Entitlement and Acceptance Form, to be filled from any Shortfall or the Overallotment Offer at the Company's discretion.

If in addition to being an Eligible Shareholder under the Offer you are also a creditor of the Company, you may elect to take up your Entitlement by means of the conversion of some or all of the existing debt owed to you by the Company (**Debt Conversion Facility**). See section 3.3 for further information on the Debt Conversion Facility.

This Prospectus is available in electronic form on the Company's website at <http://www.darkhorseresources.com.au>. If you wish to obtain a free copy of this Prospectus, please contact the Company by email at [info@darkhorseresources.com.au](mailto:info@darkhorseresources.com.au) or by phone +61 (07) 3303 0650.

## **Other Investors - How to Apply for New Shares under the Offer**

Applications by Other Investors for New Shares under the Shortfall Offer or Overallotment Offer can be made by completing and returning the Application Form which is accompanying this Prospectus along with a cheque or bank draft payment in accordance with the instructions set out in this Prospectus and on the Application Form.

This Prospectus is available in electronic form on the Company's website at <http://www.darkhorseresources.com.au>. If you wish to obtain a free copy of this Prospectus, please contact the Company by email at [info@darkhorseresources.com.au](mailto:info@darkhorseresources.com.au) or by phone +61 (07) 3303 0650.

## **Enquiries**

If you are an Eligible Shareholder or Other Investor and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If Eligible Shareholders have questions in relation to the Shares upon which their Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form or take up your Entitlement, please contact the Company by email at [info@darkhorseresources.com.au](mailto:info@darkhorseresources.com.au) or by phone +61 (07) 3303 0650.

## **Deciding to accept the Offer**

No person named in this Prospectus, nor any other person, guarantees the performance of DHR, the repayment of capital or the payment of a return on the New Shares.

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 1.5 of this Prospectus and set out in more detail in section 6 of this Prospectus.

This Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: <http://www.darkhorseresources.com.au>.

## **Terms used**

A number of terms and abbreviations used in this Prospectus have defined meanings, which are explained in the definitions and glossary in section 9.

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

## **Forward looking statements**

Some of the information contained in this Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Prospectus.

## **No representations**

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus may not be relied on as having been authorised by the Company or its officers. This Prospectus does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Prospectus, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

## **Competent person statement**

The information contained in this Prospectus that relates to geology and exploration results is based on, and fairly reflects, information compiled and conclusions derived 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 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).

Mr Beckton consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.



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# Prospectus

## Chairman's letter

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**1 August 2019**

Dear Shareholder,

On behalf of the Directors, I am pleased to introduce this Prospectus and invite Eligible Shareholders to take up their Entitlement to New Shares with Attaching Options to subscribe for ordinary fully paid Shares in Dark Horse Resources Limited under the Entitlement Offer.

The Company is making a non-renounceable rights issue of one (1) New Share for every six (6) Shares held in DHR on the Record Date, at an Issue Price of \$0.004 per New Share, to raise up to approximately \$1,349,748 before costs of the Entitlement Offer (subject to the application of the Debt Conversion Facility). The Issue Price represents a 20% discount to the 10 day volume-weighted average price (**VWAP**) of Shares as at 31 July 2019 (being \$0.0048).

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the provisions of the Corporations Act and the Listing Rules.

The Company has also reserved the right to accept subscriptions from Eligible Shareholders over and above their Entitlement and to accept applications from Other Investors in excess of the number of New Shares to be issued under the Entitlement Offer (including any Shortfall), up to a maximum value of \$500,000 under the Overallotment Offer. The Overallotment Offer is described more fully in Section 1.12 of this Prospectus.

Every New Share under the Offer allotted will be issued together with one (1) Attaching Option to subscribe for one fully paid ordinary Share in the Company at an exercise price of \$0.005 on or before 30 November 2019.

In addition, holders of Attaching Options (**Eligible Optionholders**) will receive one (1) further free Additional Option for every two (2) Attaching Options exercised prior to the Attaching Option Expiry Date, to subscribe for one fully paid ordinary Share in the Company at an exercise price of \$0.012 on or before 31 May 2021.

The Entitlement Offer, the Shortfall Offer and the Overallotment Offer are together referred to as the **Offer** in this Prospectus.

The Directors intend to take up some or all of their Entitlement to New Shares.

The Offer is open from **9 August 2019** and is due to close on **26 August 2019**. Please read the Prospectus carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional adviser. This Prospectus contains the Investor Presentation, which provides information on DHR for you to consider.

It is proposed that the funds raised under this Offer will be applied for the purposes of funding implementation of the planned exploration programs of the Company's gold and lithium properties in Argentina, contracted payments to the vendors of the Company's properties in Argentina, consideration for acquiring or investing in new projects, covering the costs of the Offer and providing the Company with working capital.

For Eligible Shareholders, a personalised Entitlement and Acceptance Form is attached to this Prospectus and sets out the number of New Shares you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**). Shareholders may, in addition to their Entitlement apply for Additional Shares, which may be filled at the Company's discretion under the Shortfall Offer or the Overallotment Offer. Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form or making payment of Application Monies by BPAY® in accordance



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with the instructions set out below and on the Entitlement and Acceptance Form. If, in addition to being an Eligible Shareholder, you are also a creditor of the Company, you may, at your election, apply all or part of any amount owing to you to subscribe for New Shares under the Debt Conversion Facility.

Other Investors may apply for New Shares by completing and returning the Application Form which accompanies this Prospectus.

Application Monies for the New Shares, or notification of conversion under the Debt Conversion Facility, must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

The Offer is not underwritten. The Company will aim to place any Shortfall not subscribed to by Eligible Shareholders.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,



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Nick Mather  
Chairman

# Prospectus

## 1. Investment summary

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The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

### 1.1 The Offer

This Prospectus is for the following:

- (a) the non-renounceable rights issue of approximately 337,436,929 New Shares at an issue price of \$0.004 per New Share, on the basis of one (1) New Share for every 6 Shares held by Eligible Shareholders as at the Record Date, together with 1 Attaching Option for each New Share issued, exercisable at \$0.005 cents on or before 30 November 2019;
- (b) the Overallotment Offer, described in further detail in section 1.12 below; and
- (c) every two (2) Attaching Options will upon exercise entitle the holder to one (1) Additional Option exercisable at \$0.012 cents on or before 31 May 2021.

The Entitlement Offer is an offer to Eligible Shareholders only.

In the event that the number of New Shares applied for under any Shortfall is in excess of the number available, then pursuant to the Overallotment Offer the Company may accept subscriptions for New Shares at the Issue Price up to a maximum of \$500,000 (being the Overallotment Shares). Overallotment Shares shall have the same entitlement to Attaching Options and Additional Options as New Shares issued under the Entitlement Offer.

The Issue Price of \$0.004 per New Share represents a 20% discount to the 10 day volume-weighted average price for Shares immediately prior to the announcement of the Offer (being \$0.0048 as at 31 July 2019).

DHR has applied to the ASX for Official Quotation of the New Shares offered under this Prospectus. Official Quotation of the New Shares is expected to occur on or about 3 September 2019.

The Company does not intend to apply for listing of the Attaching Options or Additional Options.

The Directors may at any time decide to withdraw this Prospectus and the offer of New Shares, Attaching Options and Additional Options made under this Prospectus, in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of such withdrawal.

If any Eligible Shareholders do not take up their full Entitlement under the Entitlement Offer, the New Shares that are not taken up will form the Shortfall to be issued under any Shortfall.

Eligible Shareholders may, in addition to applying for their Entitlement, apply for Additional Shares to be issued from any Shortfall or the Overallotment Offer at the Issue Price, subject to compliance with Chapter 6 of the Corporations Act and ASX Listing Rules.

The issue of the Additional Shares under the Shortfall Offer and the placement of any Additional Shares will be at the absolute discretion of the Company and its Directors and as such there is no guarantee that any Additional Shares applied for will be issued to Eligible Shareholders.

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Any Additional Shares will firstly be allocated to Shareholders who apply for Additional Shares in addition to their Entitlement at the absolute discretion of the Directors. The Directors may then place any further Shortfall to persons who may or may not be Shareholders. The issue of the Additional Shares under the Shortfall Offer and the placement of any Additional Shares will be at the absolute discretion of the Company and its Directors and as such there is no guarantee that any Additional Shares applied for will be issued to Eligible Shareholders. The allocation process is described in more detail in sections 1.8 and 3.4.

## 1.2 Minimum subscription

There is no minimum subscription to the Issue.

## 1.3 Purpose of the issue

The Company is seeking to raise a total of up to \$1,849,748, based on the following:

- (a) approximately \$1,349,748, from the Entitlement Offer (subject to the application of the Debt Conversion Facility); and
- (b) up to \$500,000 from the Overallotment Offer.

This amount excludes any funds raised from the exercise of the Attaching Options or the Additional Options.

The Directors intend to apply the proceeds from the Issue to provide funds for the purposes of:

- (a) implementation of the planned exploration programs of the Company's gold and lithium properties in Argentina;
- (b) contracted payments to the vendors of the company's properties in Argentina;
- (c) consideration for acquiring or investing in new projects;
- (d) the costs of the Issue; and
- (e) general working capital.

The proceeds from the Issue (assuming it is fully subscribed), are proposed to be allocated in the following manner:

Proposed use of funds	Entitlement Offer Fully Subscribed (\$)	Entitlement Offer and Overallotment Offer Fully Subscribed
Exploration - Cachi	\$100,000	\$575,000
Exploration - Las Opeñas	\$575,000	\$575,000
Exploration - San Jorge	\$215,000	\$215,000
Vendor payments	\$165,000	\$165,000
Repayment of short term loans	\$100,000	\$100,000
Interest on converting loan agreements (6 months)	\$33,600	\$33,600
Estimated costs of the Issue (including legal fees, Share Registry fees, ASX fees and other miscellaneous costs associated with	\$65,006	\$101,584

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the Offer)		
Working capital	\$96,142	\$84,564
<b>Total (maximum raising)</b>	<b>\$1,349,748</b>	<b>\$1,849,748</b>

The above table is a statement of present intentions as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Company reserves the right to alter the way funds are applied to maximise the benefit to Shareholders.

The Company may seek to secure a lead manager or other advisor during the term of the Offer (**Advisor**). In the event an Advisor is appointed, the Company may be required to pay commercially standard fees to the Advisor, which may include fees based on a percentage of funds raised under the Shortfall Offer and Overallotment Offer and/or an issue of securities to in consideration for funds raised.

## 1.4 Investment highlights

### (a) *Argentine gold*

- Completion of a first phase drilling program, detailed mapping and a diamond sawn rock channel sampling at the Las Opeñas Gold Project in the San Juan province, confirms widespread high grade zones of gold and silver.
- The Cachi Gold Project is in a prime geological setting and significant high value assays from surface exploration have been identified.
- The latest assays results from Cachi have identified another anomalous gold target, named El Camino bringing the total number of targets to fifteen (15) in the southern half of the Cachi tenement.
- Drilling programs for the Las Opeñas and Cachi projects are in planning for the summer of 2019/2020.

### (b) *Argentine lithium*

- As part of the finalisation of due diligence, DHR continues to await confirmation on the Vendor's tenure for 2 leases of the San Jorge Project, a lithium brine property in the Catamarca province, with deal conclusion expected next quarter.

### (c) *Lakes Oil*

- Lakes Oil to drill the conventional Nangwarry-1 well in the onshore Otway Basin, South Australia in October/November 2019.

## 1.5 Risk factors

Eligible Shareholders and Other Investors should be aware that an investment in the Company is subject to investment and other known and unknown risks, including possible loss of income and the principal invested. Eligible Shareholders and Other Investors should carefully read section 6 of this Prospectus which sets out risk factors that may affect the Company. An investment of this kind involves a number of risks, a number of which are specific to the Company and the industry in which it operates.

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However, these risks should not be taken to be exhaustive of the risks faced by the Company or its Shareholders. Those risk factors referred to section 6 and others not specifically referred to in those sections, may materially affect the financial performance of the Company and the value of its Shares in the future.

The Company has implemented strategies, actions, systems and safeguards for known risks. However, some risks are beyond its control. Consequently, the prevailing price or value of New Shares issued under the Offer may be more or less than the Issue Price.

The following sets out a summary of some of the key risks relevant to the Company and its operations (further details are contained in section 6):

Risk	Details
Exploration and Evaluation Risk	Gold and lithium deposit exploration and development are high risk undertakings and even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. There can be no assurance that exploration will result in the discovery of an economic deposit and a number of factors outside the control of the Company can affect this outcome. The success of the Company is dependent on exploration success.
Operational risks and costs	Prosperity for DHR and its subsidiaries will depend largely upon an efficient and successful implementation of all the aspects of exploration, developments, business activities and management of commercial factors. Exploration has been and will continue to be hampered on occasions by unforeseen weather events, accidents, unforeseen cost changes, environmental considerations, natural events and other incidents beyond the control of DHR.
Victorian exploration risk	<p>The Company presently holds some 30.42% of ASX listed Lakes Oil NL which holds petroleum exploration interests in Victoria.</p> <p>Lakes Oil NL has appealed against decision on fracking moratorium legislation in Victoria which has adversely impacted on its ability to progress its petroleum exploration interests in Victoria. The appeal has yet to be heard and no assurance can be given as to the likely outcome of the appeal proceedings.</p>
Contractual and joint venture risk	The Company may wish to develop its projects or future projects through joint venture arrangements, while a number of the Company's projects are already the subject of joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to the Company, could be affected by the failure or default of any of the joint venture participants. With respect to the Company's planned drilling, the Company has not yet secured the use of any drilling equipment. Failure to enter into drilling contracts in respect of the proposed drilling programmes for each of these projects will negatively impact on the ability of the Company to carry out its exploration and development programmes in these areas.
Commodity price risks	DHR's prospects and perceived value will be influenced from time to time by the prevailing short-term prices of the commodities targeted in its exploration programs. Commodity prices fluctuate and are affected by factors including supply

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	and demand for mineral products, hedge activities associated with commodity markets, the costs of production and general global economic and financial market conditions. These factors may cause volatility which in turn, may affect the Company's ability to finance its future exploration and/or bring DHR's to market.
Additional requirements for capital	The Company may require additional funds in the future to achieve its objectives. There is no assurance that these funds will be available in the future, or if they are available, that they will be on commercially acceptable terms to the Company. If adequate additional funding is not available or acceptable on the Company's terms, the Company's business will be materially and adversely affected. Any additional equity financing may also have the effect of diluting the existing share holdings. The Company may decide to raise additional funds in the future through further capital raisings. This may result in the Company issuing additional shares in the Company to third parties who are not presently shareholders of the Company. As a result, existing shareholdings may be diluted.

The New Shares offered under this Offer carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

## 1.6 Rights attaching to securities

Each New Share will rank equally with all existing Shares then on issue.

Each Attaching Option and Additional Option will on exercise entitle the holder to a Share in the Company.

Full details of the rights and liabilities attaching to the Shares and Options are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

See section 7.1 for the rights attaching to the New Shares, section 7.2 for the rights attaching to the Attaching Options and section 7.3 for the rights attaching to the Additional Options.

## 1.7 Acceptance of Entitlement to New Shares

The number of New Shares (and Attaching Options) to which each Eligible Shareholder is entitled under the Entitlement Offer is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Prospectus. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Prospectus in accordance with the instructions set out in section 2 below and on the Entitlement and Acceptance Form.

Eligible Shareholders may, in addition to their Entitlements, apply for New Shares over and above their Entitlement at the Issue Price regardless of the size of their present holding. Refer to the following section 1.8 for further information regarding the Shortfall.

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## 1.8 Application for Additional Shares and Shortfall

In the case that there is less than full subscription by Eligible Shareholders to their Entitlements under this Prospectus, the Directors reserve the right to issue any Shortfall at their discretion. Any Entitlements not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer pursuant to this Prospectus. The issue price of any Additional Shares offered pursuant to the Shortfall Offer will be \$0.004, which is the Issue Price at which the Entitlement Offer has been made to Eligible Shareholders.

Eligible Shareholders who apply for their full Entitlement may also apply for Additional Shares in excess of their Entitlement at the Issue Price, subject to their holding not exceeding 20% of the number of Shares on issue after the completion of the Offer. Other Investors may also apply for Shortfall Shares. Applications for Additional Shares must be made in the Additional Shares section on the Entitlement and Acceptance Form accompanying this Prospectus. Any Additional Shares issued pursuant to the Shortfall Offer will be issued together with Attaching Options,. The Shortfall Offer is described in section 3.4 below.

Shortfall Shares will be issued under the Shortfall Offer at the absolute discretion of the Company and its Directors and as such there is no guarantee that any Shortfall Shares applied for will be issued to Eligible Shareholders. The Company will have no liability to any Applicant who receives less than the number of Shortfall Shares they applied for under the Shortfall Offer.

In the event that there is a further Shortfall in subscriptions under the Offer following the issuance of the Additional Shares under the Shortfall Offer, the Company and the Directors reserve the right, as contemplated within the Listing Rules, to allocate any further Shortfall of New Shares in their absolute discretion and to conduct a placement of the remaining Shortfall to ensure a maximum amount of funds are raised. They will do so in a manner which will ensure that no Shareholder or other investor will, as a consequence of being issued any Shortfall, hold a relevant interest of more than 20% of all of the Shares in the Company after this Issue.

Any Shortfall will be issued within three months after the Closing Date at an Issue Price being not less than the Issue Price.

## 1.9 Applications by Other Investors

Other Investors who wish to apply for New Shares under the Shortfall Offer or Overallotment Offer may do so by completing a valid Application Form which is attached to this Prospectus in accordance with the instructions set out in section 3.2below and on the Application Form.

To the extent permitted by law, an Application by an Applicant under an Offer is irrevocable.

## 1.10 Directors intentions in respect of Entitlements

As at the date of this Prospectus, some of the Directors of DHR have either a direct or indirect interest in Shares. Set out below is a table summarising the Entitlement of each Director (based on their current holding) under the Entitlement Offer and how they intend to treat their Entitlement.

Director	Shares	Entitlement	Intentions
David Mason	132,392,930	22,065,488	Entitlement to be taken up in full (value of \$88,261.95) including use of Debt Conversion Facility

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Nick Mather	41,452,159	6,908,693	Partial take up of entitlement via conversion of all outstanding debt under Debt Conversion Facility
Brian Moller	36,098,020	6,016,337	Take up of entitlement via conversion of all outstanding debt under Debt Conversion Facility

## 1.11 *Details of Options and Performance Rights held by the Directors are set out in section 8.3.***Potential dilution of Shareholder's interests**

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company to other parties in which case their interest in the Company may be significantly diluted (see section 5.5 for further details). Further the Entitlement Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted by the Entitlement Offer. Given the terms of the Entitlement Offer, the interests of a Shareholder in the Company may be diluted by up to 14.29% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed (without including any New Shares issued on exercise of the Attaching Options or that are issued under the Overallotment Offer).

Acceptance of Entitlements, the Offer of any Shortfall and New Shares issued under the Overallotment Offer may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of not more than 20.0%, subject to a number of exemptions.

## 1.12 **Overallotment Offer**

Where the number of Additional Shares applied for by Eligible Shareholders or Other Investors exceeds the number of Additional Shares available under the Shortfall, the Company may accept Applications in excess of the amount of New Shares to be issued pursuant to the Entitlement Offer under the Overallotment Offer, up to a maximum value of \$500,000. The Overallotment Offer is described more fully in section 3.5 of this Prospectus.

The maximum number of Overallotment Shares to be issued is 125,000,000 New Shares. If exercised at all, the Overallotment Offer will take place at the same time as the Entitlement Offer.

The Overallotment Offer is a separate offer pursuant to this Prospectus. Any Overallotment Shares will be issued within three months after the Closing Date at an issue price being not less than the Offer Price.



# Prospectus

## 2. Details of the Offer

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### 2.1 Offer to Eligible Shareholders and Other Investors

#### *Entitlement Offer*

The Company is making a non-renounceable rights issue offer to each Eligible Shareholder of one (1) New Share for every six (6) Shares held on the Record Date at an Issue Price of \$0.004 with one free Attaching Option for each New Share subscribed for, exercisable at \$0.005 on or before 30 November 2019.

For each two (2) Attaching Options that are exercised, the holder will receive one (1) new Additional Option having an exercise price of \$0.012 and an expiry date of 31 May 2021.

The Entitlement Offer is an offer to Eligible Shareholders only. This Prospectus is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Only those Eligible Shareholders shown on the share register at 5.00pm (AEST) on the Record Date will be entitled to participate in the Entitlement Offer.

The Offer is not underwritten. The Company may seek to appoint a lead manager or other advisor during the term of the Offer to assist the Company in respect of the Offer, including to place any Shortfall not subscribed to by Eligible Shareholders.

The Issue Price of \$0.004 per New Share represents a 20% discount to the 10 day volume-weighted average price for Shares immediately prior to the announcement of the Offer (being \$0.0048 as at 31 July 2019).

The Issue under the Entitlement Offer may be increased by a total 9,083,334 New Shares if holders of Existing Options exercise their Existing Options (in accordance with the terms of the Existing Options) prior to the Record Date.

#### *Overallotment Offer*

The Company has reserved the right to accept subscriptions from Eligible Shareholders and Other Investors identified by the Company for Overallotment Shares up to a maximum value of \$500,000. Overallotment Shares will be issued on the same terms as the New Shares offered under the Entitlement Offer, including the free Attaching Options.

Assuming no Existing Options on issue in the Company are exercised, approximately 125,000,000 fully paid ordinary shares (with an equivalent number of Attaching Options) will be offered under the Overallotment Offer.

Shareholders who apply for their full Entitlement under the Entitlement Offer may apply for Additional Shares in excess of their Entitlement, to be filled from the Shortfall or the Additional Offer at the Company's discretion.

### 2.2 Important Dates

<b>Announcement of Offer</b>	1 August 2019
<b>Lodgement of Prospectus with ASIC</b>	1 August 2019
<b>Lodgement of Prospectus and Appendix 3B with ASX</b>	1 August 2019
<b>Notice provided to Option Holders and Shareholders</b>	2 August 2019
<b>Shares quoted on an 'ex' basis</b>	5 August 2019

# Prospectus

<b>Record Date for determining entitlements under the Issue</b>	6 August 2019
<b>Offer expected to open</b>	9 August 2019
<b>Offer expected to close*</b>	26 August 2019
<b>Shares quoted on a deferred settlement basis</b>	27 August 2019
<b>ASX notified of Shortfall</b>	29 August 2019
<b>Anticipated date for issue of New Shares and Attaching Options</b>	2 September 2019
<b>Deferred settlement trading ends</b>	2 September 2019
<b>Commencement of trading of New Shares on ASX</b>	3 September 2019
<b>Attaching Options expire</b>	30 November 2019
<b>Additional Options expire</b>	31 May 2021

\* The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such, the date the New Shares issued under the Offer are expected to commence trading on ASX may vary.

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time, subject to the Corporations Act and the Listing Rules, without notice.

The Directors, subject to the requirements of the Listing Rules and the Corporations Act, reserve the right to:

- (a) withdraw the Offer without prior notice; or
- (b) vary any of the important dates set out in this Offer, including extending the Offer.

## 2.3 Allotment and allocation policy

The Company will proceed to allocate New Shares and Attaching Options as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

Successful Applicants will be notified in writing of the number of New Shares and Attaching Options allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares and Attaching Options allocated to them prior to trading in New Shares. Applicants who sell New Shares or Attaching Options before they receive notice of the number of New Shares and Attaching Options allocated to them do so at their own risk.

No New Shares or Attaching Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

Where a Shortfall exists under section 1.8, the allocation and allotment of Additional Shares applied for will be made in accordance with the following policy:

- (a) The Directors will allocate any Shortfall to Applicants that have applied to take up their full Entitlement and, in addition, have indicated that they wish to take up Additional Shares as provided for in section 1.8.
- (b) The Company reserves the right to allocate Additional Shares at its absolute discretion.

# Prospectus

- (c) No Applicant associated with the Directors will participate in the Shortfall Offer.
- (d) Additional Shares will be issued at the same time as all other New Shares are issued under the Offer.
- (e) The Company will not allocate or issue Additional Shares under the Shortfall Offer, where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Applicants wishing to apply for Shortfall Shares must consider whether or not the issue of the Shortfall Shares applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances.
- (f) There is no guarantee that Applicants will be successful in being allocated any of the Additional Shares that they apply for. The Company may reject any application for Additional Shares or allocate fewer Additional Shares than applied for by Applicants for Additional Shares in accordance with the policy set out above. The Directors reserve the right at their absolute discretion to place a maximum on the number of Additional Shares that will be issued to Applicants who apply for Additional Shares.
- (g) Any Shortfall not subscribed for by Eligible Shareholders may be placed by the Company at the Company's sole discretion subject to the provisions of the Corporations Act and the Listing Rules.

## 2.4 ASX listing

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be issued pursuant to this Prospectus to be listed for Official Quotation by the ASX. If granted, quotation of the New Shares is expected to occur on or about 3 September 2019. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

The Company does not intend to apply for the listing and quotation of the Attaching Options or Additional Options.

Should the New Shares not be granted Official Quotation on the ASX within three months after the date of this Prospectus, none of the New Shares offered under this Prospectus will be issued and all Application Monies will be refunded without interest to Applicants within the time prescribed by the Corporations Act.

## 2.5 CHESS

The Company will apply for the New Shares to participate in CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to Eligible Shareholders or Other Investors with respect to the New Shares. After allotment of the New Shares and Attaching Options, Eligible Shareholders or Other Investors who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares and Attaching Options allotted to each successful Applicant pursuant to this Prospectus. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

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## 2.6 No rights trading

Entitlements to New Shares pursuant to the Entitlement Offer are non-renounceable and accordingly will not be traded on the ASX. Entitlements which are not taken up will lapse and form part of the Shortfall Offer and be dealt with in accordance with section 1.8.

The Company does not intend to apply for the listing and quotation of the Attaching Options or Additional Options.

## 2.7 Minimum subscription

There is no minimum subscription to the Issue.

## 2.8 Existing Options

Option Holders will not be entitled to participate in the Entitlement Offer unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Entitlement Offer as a result of being an Eligible Shareholder at 5.00pm (AEST) on the Record Date.

If all Option Holders elect to exercise their Existing Options prior to the Record Date to participate in the Entitlement Offer, a further 9,125,000 New Shares may be issued under this Prospectus. Details of the Existing Options are set out in section 5.3. However, having regard to the exercise price of the Existing Options and the Issue Price, the Directors believe that it is unlikely that any Existing Options will be exercised prior to the Record Date.

## 2.9 Overseas shareholders

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia and New Zealand in which the Company's Shareholders reside.

This Prospectus and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Entitlement and Acceptance Form.

The distribution of this Prospectus and the accompanying Entitlement and Acceptance Form in jurisdictions outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus and the accompanying form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside of Australia and New Zealand (**Ineligible Shareholders**) having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, Ineligible Shareholders and no New Shares will be issued to Ineligible Shareholders.

In particular this Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Prospectus without any requirement for a prospectus to be lodged or registered.

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## *New Zealand*

The New Shares are not being offered to the public within New Zealand other than to Shareholders of the Company with registered addresses in New Zealand to whom the offer of securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

## *United States*

This Prospectus may not be released or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Prospectus have not been, and will not be, registered under the US Securities Act 1933 and may not be offered or sold in the United States except in transactions exempt form, or not subject to, registration under the US Securities Act and applicable US state securities laws.

### **2.10 Notice to nominees and custodians**

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand except to beneficial Eligible Shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Entitlement Offer. Any person in the United States with a holding through a nominee may not participate in the Entitlement Offer. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of relevant foreign securities law restrictions.

### **2.11 Electronic prospectus**

An electronic version of this Prospectus is available online at <http://www.darkhorseresources.com.au>.

The Entitlement and Acceptance Form or the Application Form may only be distributed attached to a complete and unaltered copy of the Prospectus. The Company will not accept a completed Entitlement and Acceptance Form or Application Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement and Acceptance Form, Application Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Issue period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company or a financial adviser.

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## 3. How to apply

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### 3.1 How to accept your Entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. The number of New Shares and Attaching Options to which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form attached to this Prospectus.

If Eligible Shareholders take no action in respect of their Entitlement they will have no right to subscribe for the New Shares pursuant to the Entitlement Offer.

As an Eligible Shareholder, you may:

- (a) take up all of your Entitlement and apply for Additional Shares;
- (b) take up all of your Entitlement but not apply for Additional Shares;
- (c) accept part of your Entitlement and allow the balance to lapse; or
- (d) take no action and allow your Entitlement to lapse.

Entitlements to New Shares and Attaching Options can be accepted in full or in part by completing and returning the attached Entitlement and Acceptance Form in accordance with the instructions set out in that form. The Issue Price of \$0.004 per New Share is payable in full on acceptance of part or all of your Entitlement.

The completed Entitlement and Acceptance Form must be accompanied by a cheque or bank draft payable at an Australian bank for the appropriate Application Monies calculated at \$0.004 per New Share, and received by the Share Registry by **no later than 5.00pm (AEST) on the Closing Date**. Cheques should be in Australian currency and made payable to "Dark Horse Resources Limited" and crossed "not negotiable".

Alternatively, you can use the BPAY® facility which is detailed on the Entitlement and Acceptance Form. If you use the BPAY® facility you need to make sure your Application Monies are received **by no later than 5:00pm (AEST) on the Closing Date** and you do not need to return your Entitlement and Acceptance Form.

Completed Forms and accompanying cheques (if applicable) should be lodged at or forwarded to the following address:

Mailing Address	OR	Hand Delivery
Dark Horse Resources Limited C/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001		Dark Horse Resources Limited Offer C/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138  <i>(Please do not use this address for mailing purposes)</i>

Entitlement and Acceptance Forms will not be accepted at the Company's registered office.

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Prospectus. The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Application Monies will be held in trust in a subscription account until allotment of the New Shares and Attaching Options. The subscription account will be established and kept by

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the Company on behalf of the Applicants. Any interest earned on the Application Monies will be retained by the Company irrespective of whether allotment takes place.

## 3.2 Applications by Other Investors

Other Investors who are not Eligible Shareholders and wish to apply for New Shares under the Overallotment Offer, please:

- (a) complete the Shortfall Application Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to apply for; and
- (b) forward the completed Application Form together with your cheque or bank draft for the total amount payable to reach the Company's Share Registry,

so that it is received **by no later than 5.00pm (AEST) on the Closing Date.**

Cheques should be in Australian currency and made payable to "Dark Horse Resources Limited " and crossed "not negotiable".

Completed Application Forms and accompanying cheques (if applicable) should be lodged at or forwarded to the following address:

Mailing Address	OR	Hand Delivery
<b>Dark Horse Resources Limited Shortfall Offer C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235</b>		<b>Dark Horse Resources Limited Shortfall Offer C/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138</b>  <i>(Please do not use this address for mailing purposes)</i>

Application Forms will not be accepted at the Company's registered office.

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Prospectus. The amount payable on application will not vary during the period of the Offer and no further amount is payable on allotment. Application Monies will be held in trust in a subscription account until allotment of the New Shares and Attaching Options. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Application Monies will be retained by the Company irrespective of whether allotment takes place.

## 3.3 Debt Conversion Facility

If, in addition to being an Eligible Shareholder under the Entitlement Offer, you are also a creditor of the Company, you may elect to take up your Entitlement by means of the conversion of some or all of the existing debt owed to you by the Company. The conversion will be undertaken on a dollar for dollar basis at the Issue Price, and, in the case of any fractional entitlements, the number of New Shares arising from the conversion of the debt shall be rounded up to the nearest whole number. The election to settle the Application Monies owing in respect of your Entitlement by conversion of an existing debt, is provided for on the Entitlement and Acceptance Form.

For clarity, the Debt Conversion Facility does not enable any creditor Shareholders to take up more New Shares under the Offer than if the facility was not available.

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**Details of Shareholders who are associated with directors of the Company and are also creditors of the Company are set out below:**

<b>Credit</b>	<b>Amount Owing by Company</b>	<b>Intention</b>
David Mason	\$25,000	Take up Entitlement in full including use of Debt Conversion Facility
Nicholas Mather	\$16,667	Partial take up of Entitlement under Debt Conversion Facility
Brian Moller	\$29,167	Take up Entitlement in full under Debt Conversion Facility

## **3.4 Additional Shares under Shortfall Offer**

In the case that there is less than full subscription by Eligible Shareholders to their Entitlements under this Prospectus, the Directors reserve the right to issue any Shortfall at their discretion. Any Entitlements not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer pursuant to this Prospectus. The issue price of any Additional Shares offered pursuant to the Shortfall Offer will be \$0.004, which is the Issue Price at which the Entitlement Offer has been made to Eligible Shareholders.

Eligible Shareholders who apply for their full Entitlement may also apply for Additional Shares in excess of their Entitlement at the Issue Price, subject to their holding not exceeding 20% of the number of Shares on issue after the completion of the Offer. Any Additional Shares issued pursuant to the Shortfall Offer will entitle the recipient to:

- (a) one (1) Attaching Option for each New Share issued; and
- (b) one (1) Additional Option for every two (2) Attaching Options that are subsequently exercised.

The Company reserves the right to scale back any applications for Additional Shares under the Shortfall Offer. If this occurs, all Application Monies will be returned (without interest) to the extent of the scale back.

If you are an Eligible Shareholder and wish to apply for Additional Shares in excess of your Entitlement, then you are required to complete the section of the Entitlement and Acceptance Form relating to the Shortfall Offer in accordance with the instructions on that form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque or bank draft payable at an Australian bank for the appropriate Application Monies calculated for your Entitlement plus the Additional Shares applied for at a price of \$0.004 per New Share and received by the Share Registry by **no later than 5.00pm (AEST) on the Closing Date**.

Additional Shares will be issued under the Shortfall Offer at the absolute discretion of the Company and its Directors and as such there is no guarantee that any Additional Shares applied for will be issued to Eligible Shareholders. The Company will have no liability to any Applicant who receives less than the number of Additional Shares they applied for under the Offer.



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In the event that there is a Shortfall in subscriptions under the Shortfall Offer following the issuance of the Additional Shares, the Company and the Directors reserve the right, as contemplated within the Listing Rules, to allocate any Shortfall of New Shares in their discretion of the remaining Shortfall to ensure a maximum amount of funds are raised. They will do so in a manner which will ensure that no Shareholder or Other Investor will, as a consequence of being issued any Shortfall, hold a relevant interest of more than 20% of all of the Shares in the Company after this Issue.

Any Shortfall will be issued within three months after the Closing Date at an Issue Price being not less than the Issue Price.

## 3.5 Overallotment Offer

The Company has reserved the right, at its election, to accept applications from Eligible Shareholders or Other Investors for New Shares in excess of the available Shortfall up to a maximum value of \$500,000. These New Shares are termed Overallotment Shares for the purposes of the Overallotment Offer.

The maximum number of Overallotment Shares that may be issued under the Overallotment Offer will be 125,000,000. Any New Shares issued under the Overallotment Offer will rank equally with New Shares.

For Eligible Shareholders, by applying for Additional Shares you are indicating to the Company that in the event that there are insufficient Additional Shares under the Shortfall to meet the number of Additional Shares you have applied for (**Additional Share Deficit**), you are interested in being issued Overallotment Shares to the amount of the Additional Share Deficit under the Overallotment Offer. You need to do nothing extra to be considered for the issue of Overallotment Shares, other than to apply for Additional Shares. Notwithstanding that with respect to any Application by an Eligible Shareholder there is an Additional Share Deficit, there is no guarantee that the relevant Eligible Shareholder will receive any Overallotment Shares.

The Overallotment Offer is a separate offer pursuant to this Prospectus. The issue price of any Overallotment Shares will be \$0.004, which is the Issue Price at which the Entitlement Offer has been made to Eligible Shareholders. Any Overallotment Shares will also similarly entitle the recipient to:

- (a) one (1) Attaching Option for each Overallotment Share issued; and
- (b) one (1) Additional Option for every two (2) Attaching Options that are subsequently exercised.

Any Application for Overallotment Shares will be subject to the Applicant's holding not exceeding 20% of the number of Shares on issue after the completion of the Offer.

Overallotment Shares will be issued at the absolute discretion of the Company and its Directors and as such there is no guarantee that any Overallotment Shares will be issued. The Company will have no liability to any Applicant who receives less than the number of New Shares they applied for.

Overallotment Shares will be issued at the same time as the New Shares to be issued pursuant to the Shortfall Offer.

## 3.6 Entitlement not taken up

If you are an Eligible Shareholder and you decide not to take up all or part of your Entitlement, the New Shares and Attaching Options representing your Entitlement will lapse and may be offered to Eligible Shareholders or Other Investors under the Shortfall Offer or Overallotment Offer. If there is insufficient demand from Eligible Shareholders, the Shortfall Offer and

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Overallotment Offer will be made available to Other Investors. In accordance with ASX Listing Rule 7.2 (Exception 3), the Directors reserve the right to issue New Shares and Attaching Options under the Shortfall Offer, at their discretion, within 3 months after the Closing Date. The offer of New Shares and Attaching Options under each of the Shortfall Offer and the Overallotment Offer are separate offers made under this Prospectus and any investor (other than a Shareholder) who wishes to apply for New Shares and Attaching Options under the Shortfall Offer or Overallotment Offer should request an Application Form from the Share Registry.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. You should note that if you do not participate in the Offer you will have your percentage equity in the Company reduced. If you take up your full Entitlement, your percentage holding in the Company will remain approximately the same. By applying for, and being allotted New Shares and Attaching Options under the Shortfall Offer, you may see your percentage holding in the Company increase.

See sections 1.8 and 3.4 for further details on the Shortfall Offer.

## **3.7 Other general information**

If Eligible Shareholders have any queries concerning their Entitlement, please contact [the the Company on 07 3303 0650 (within Australia) or +61 7 3303 0650 (outside Australia) or contact your stockbroker or professional adviser.

Entitlement and Acceptance Forms, Application Forms and accompanying cheques or bank drafts may be lodged at any time before the Closing Date. Applications received after the Closing Date may not be accepted. The Company will not be responsible for postal or delivery delays.

The Issue Price of \$0.004 per New Share is payable in full on acceptance of part or all of your Entitlement (for Eligible Shareholders) or your application (for Other Investors).

If an Eligible Shareholder elects to make payment using BPAY (noting that BPAY is not available for Other Investors who are not Eligible Shareholders applying under the Overallotment Offer), they must contact their bank, credit union or building society to make payment of the Acceptance Money from their cheque or savings account. Refer to the Entitlement and Acceptance Form for the biller code and customer reference number. Eligible Shareholders who have multiple holdings will have multiple customer reference numbers.

Payment will only be accepted in Australian currency and cheques, bank drafts, money orders and BPAY payments (for Eligible Shareholders only) must be drawn on an Australian bank.

No stamp duty, brokerage or handling fees are payable by the Applicant for the New Shares offered by this Prospectus.

The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Application Monies will be held in trust in a subscription account until allotment of the New Shares.

## **3.8 Binding effect of Entitlement and Acceptance Form or Application Form**

A completed and lodged Entitlement and Acceptance Form or Application Form, or a payment made through BPAY®, constitutes a binding offer to acquire New Shares and Attaching Options on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn.

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If the Entitlement and Acceptance Form or Application Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an Acceptance or Application as valid and how to construe, amend or complete the Entitlement and Acceptance Form or Application Form is final.

By completing and returning your personalised Entitlement and Acceptance Form or, in respect of Other Investors, an Application Form, with the requisite Application Monies or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you agree to be bound by the terms of the Offer;
- (b) all details and statements in the Entitlement and Acceptance Form or Application Form are complete and accurate;
- (c) after the Share Registry receives the Entitlement and Acceptance Form or Application Form or any payment of Application Monies by BPAY®, you may not withdraw it;
- (d) you agree to apply for the number of New Shares specified in the Entitlement and Acceptance Form or Application Form and for which you have either:
  - submitted payment of any Application Monies via cheque, bank draft or BPAY®, at \$0.004 per New Share; or
  - if you are also a creditor of the Company, applied for New Shares under the Debt Conversion Facility;
- (e) you agree to be issued the number of New Shares for which you have applied, subject to compliance with Chapter 6 of the Corporations Act and ASX Listing Rules;
- (f) you authorise the Company, the Share Registry and their respective officers or agents, to do anything on your behalf necessary for the New Shares and Attaching Options to be issued to you, including to act on instructions of the Share Registry on using the contact details set out in the Entitlement and Acceptance Form or Application Form;
- (g) for Eligible Shareholders - you declare that you were the current registered holder of Shares on the Record Date;
- (h) you acknowledge that the information contained in this Prospectus and the Entitlement and Acceptance Form or Application Form is not investment advice or a recommendation that New Shares and Attaching Options are suitable for you given your investment objectives, financial situation or particular needs;
- (i) you are an Eligible Shareholder or Other Investor, are not in the United States nor acting for the account nor benefit of a person in the United States, and are not otherwise a person to whom it would be illegal to make an offer or issue of New Shares and Attaching Options under the Offer;
- (j) the New Shares and Attaching Options have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia, and New Zealand ; and
- (k) you have not and will not send any materials relating to the Offer to any person in the United States or any other country outside Australia and New Zealand.

# Prospectus

## **4. Investor Presentation**

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A copy of the Company's latest Investor Presentation is included in Appendix B in this Prospectus.

# Prospectus

## 5. Effect of the issue on DHR

### 5.1 Financial position

To illustrate the effect of the issue on the Company, the pro-forma consolidated balance sheet has been prepared based on the reviewed balance sheet as at 31 December 2018.

The pro-forma balance sheet shows the effect of the Offer (both the Entitlement offer only, and both the Entitlement Offer and the Overallotment Offer) and as if the Offer (under this Prospectus) had been made on 31 December 2018. The part of the pro-forma balance sheet showing both the Entitlement Offer and the Overallotment Offer assumes that the Offer is fully subscribed.

The accounting policies adopted in preparation of the pro-forma consolidated balance sheet are consistent with the policies adopted and as described in the Company's financial statements for the year ended 30 June 2018.

The significant effects of the Offer (assuming the Entitlement Offer and Overallotment Offer is fully subscribed and no Existing Options are exercised) will be to:

- (a) increase cash reserves by approximately \$1,575,752 (after cash expenses of the Offer which are estimated to be \$101,580) assuming a \$0.004 per share subscription price; and
- (b) increase the number of issued ordinary shares by 462,436,929, to 2,487,058,500 .

Due to the Overallotment Offer, even if an Eligible Shareholder takes up their Entitlement in full, it will still result in their percentage holding in the Company being diluted by the Offer.

	AUDITED Year ended 30 June 2018	AUDITED Half Year ended 31 December 2018	PRO FORMA Entitlement Offer <sup>1</sup>	PRO FORMA Entitlement Offer and Over Allotment <sup>1</sup>	PRO FORMA Entitlement Offer	PRO FORMA Entitlement Offer and Over Allotment
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$4,281,099	\$2,161,816	\$1,213,910	\$1,677,332	\$3,375,726	\$3,839,148
Trade and other receivables	\$383,214	\$380,219			\$380,219	\$380,219
Other current assets	\$0	\$0			\$0	\$0
Current tax assets	\$0	\$0			\$0	\$0
<b>TOTAL CURRENT ASSETS</b>	<b>\$4,664,313</b>	<b>\$2,542,035</b>	<b>\$1,213,910</b>	<b>\$1,677,332</b>	<b>\$3,755,945</b>	<b>\$4,219,367</b>
<b>NON-CURRENT ASSETS</b>						
Other financial assets	\$307,768	\$58,351			\$58,351	\$58,351
Investments accounted for using the equity method	\$8,323,666	\$7,488,820			\$7,488,820	\$7,488,820
Property, plant and equipment	\$0	\$0			\$0	\$0
Exploration and evaluation assets	\$1,433,886	\$2,470,238			\$2,470,238	\$2,470,238

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<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$10,065,320</b>	<b>\$10,017,409</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,017,409</b>	<b>\$10,017,409</b>
<b>TOTAL ASSETS</b>	<b>\$14,729,633</b>	<b>\$12,559,444</b>	<b>\$1,213,910</b>	<b>\$1,677,332</b>	<b>\$13,773,354</b>	<b>\$14,236,776</b>
<b>CURRENT LIABILITIES</b>						
Trade and other payables	\$509,763	\$256,673	-\$70,831	-\$70,831	\$185,842	\$185,842
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$509,763</b>	<b>\$256,673</b>	<b>-\$70,831</b>	<b>-\$70,831</b>	<b>\$185,842</b>	<b>\$185,842</b>
<b>NON-CURRENT LIABILITIES</b>						
Deferred tax liabilities	\$0	\$0			\$0	\$0
Other financial liabilities	\$0	\$0			\$0	\$0
Provisions	\$1,931	\$1,931			\$1,931	\$1,931
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>\$1,931</b>	<b>\$1,931</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,931</b>	<b>\$1,931</b>
<b>TOTAL LIABILITIES</b>	<b>\$511,694</b>	<b>\$258,604</b>	<b>-\$70,831</b>	<b>-\$70,831</b>	<b>\$187,773</b>	<b>\$187,773</b>
<b>NET ASSETS</b>	<b>\$14,217,939</b>	<b>\$12,300,840</b>	<b>\$1,284,742</b>	<b>\$1,748,164</b>	<b>\$13,585,582</b>	<b>\$14,049,004</b>
<b>EQUITY</b>						
Issued capital	\$28,201,403	\$28,508,436	\$1,284,742	\$1,748,164	\$29,793,178	\$30,256,600
Reserves	\$641,298	\$96,599			\$96,599	\$96,599
Accumulated losses	-\$14,624,762	-\$16,304,195			\$16,304,195	-\$16,304,195
Equity attributable to:						
Owners of the parent company	\$14,217,939	\$12,300,840	\$1,284,742	\$1,748,164	\$13,585,582	\$14,049,004
Non-controlling interests	\$0	\$0			\$0	
<b>TOTAL EQUITY</b>	<b>\$14,217,939</b>	<b>\$12,300,840</b>	<b>\$1,284,742</b>	<b>\$1,748,164</b>	<b>\$13,585,582</b>	<b>\$14,049,004</b>

1. Assuming the maximum number of New Shares are issued under the offer (Entitlement and Overallotment)

## 5.2 Present position

At the date of this Prospectus, the Company is of the view that there is no one entity who controls the Company.

The Shareholders who hold more than 5% of the Shares prior to the date of this Prospectus are as follows:

Shareholder	Number of Shares	%
DGR Global Limited	330,613,371	16.33
Fairground Pty Ltd	108,294,604	5.35

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## 5.3 Existing Options

As at the date of this Prospectus, the Company has a total of 54,750,000 Existing Options on issue as follows:

No. of Options	Exercise Price	Description	Expiry Date
24,750,000	\$0.02	Employee options	11 July 2019
24,000,000	\$0.02	Director options	27 November 2019
5,000,000	\$0.04	Employee options	12 February 2020

## 5.4 Existing Performance Rights

As at the date of this Prospectus, the Company has a total of 408,800,000 Performance Rights on issue.

Holders of Performance Rights are not entitled to participate in future issues of Shares prior to the conversion of the Performance Rights into Shares, including entitlement issues.

Each Performance Right may, at the holder's election convert to a Share in the Company should the Company's 60-day volume weighted average Share price exceed 5 cents.

## 5.5 Effect of the Offer on the capital structure of the Company

Assuming full subscription under the Offer (including the Overallotment Offer), the share capital structure of the Company immediately following the Issue will be as follows:

	Number of Securities
Shares on issue at the date of this Prospectus	2,024,621,571
Maximum number of New Shares to be issued under the Entitlement Offer	337,436,929
Maximum number of New Shares to be issued under the Overallotment Offer	125,000,000
Maximum number of New Shares to be issued under this Prospectus	462,436,929*
<b>Total maximum number of Shares after the Offer</b>	<b>2,487,058,500**</b>
Options on issue at the date of this Prospectus	54,750,000
Maximum number of Attaching Options to be issued under this Prospectus	462,436,929**
Maximum number of Additional Options to be issued under this Prospectus	231,218,465***
<b>Total maximum number of Options after the Offer</b>	<b>748,405,394</b>

\* Excludes any New Shares which may be issued in the event that any Existing Options are exercised prior to the Record Date. Some allowance has been made for rounding, with fractional entitlements being rounded up.

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\*\* Assuming the maximum number of New Shares are issued.

\*\*\* Assuming the maximum number of Attaching Options are exercised and Additional Options issued.

## 5.6 Debt Conversion Facility

Under the Debt Conversion Facility, an Eligible Shareholder may elect to take up their Entitlement by means of the conversion of some or all of the existing debt owed to them by the Company. The conversion will be undertaken on a dollar for dollar basis at the Issue Price, and in the case of any fractional entitlements, the number of New Shares arising from the conversion of the debt shall be rounded up to the nearest whole number.

As the Debt Conversion Facility does not enable any creditor Eligible Shareholder to take up more New Shares under the Offer than if the facility was not available, the Debt Conversion Facility will have no effect on the capital structure of the Company.

## 5.7 Effect of the Offer on control of the Company

### *General effect and consequences*

The potential effect that the Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including Shareholder take-up of the Offer and the consequences of any issue to Other Investors under the Offer.

The Entitlement Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and none of the Existing Options are exercised prior to the Record Date, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

However, Eligible Shareholders who do not take up all of their Entitlements will have their interest in the Company diluted as a result of the Issue. In addition, the proportional interests of Ineligible Shareholders who are not resident in Australia and New Zealand may be diluted as those Shareholders are not entitled to participate in the Offer.

The Overallotment Offer will have a dilutionary effect on the interests of Shareholders. Assuming that Shareholders take up their full Entitlement under the Entitlement Offer, the holdings of Shareholders in the Company will still be diluted by approximately 5.03% in the event that the full Overallotment Offer is taken up.

### *Where Entitlements not taken up*

In the event that there is a further Shortfall in subscriptions under the Entitlement Offer following the issuance of the Additional Shares under the Shortfall Offer, the Company and the Directors reserve the right, as contemplated within the Listing Rules, to allocate any further Shortfall of New Shares in their absolute discretion and to conduct a placement of the remaining Shortfall to ensure a maximum amount of funds are raised. They will do so in a manner which will ensure that no Shareholder or other investor will, as a consequence of being issued any Shortfall, hold a relevant interest of more than 20% of all of the Shares in the Company after this Issue.

### *Specific control effects*

DGR Global Limited (**DGR**) holds approximately 16.33% of the Shares in the Company.



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The ability of DGR to take up their full Entitlement and/or apply for Additional Shares in the event of a Shortfall, will be subject to DGR not holding a relevant interest of more than 20% of all of the Shares in the Company after the Issue.

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## 6. Risk factors

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### 6.1 Introduction

The activities of the Company, as in any business, are subject to risks which may impact on its future performance. The Company has appropriate actions, systems and safeguards for known risks, however, some are outside its control.

Prior to making any decision to accept or apply for New Shares under the Offer, Eligible Shareholders and Other Investors should carefully consider the risk factors which the Company has previously disclosed (many of which are listed below), as well as those risks of which the Eligible Shareholder and Other Investors are aware, or should be aware of, through their own knowledge and enquiries.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. However, as noted above and previously, some of the risks are outside the control of the Company and are not capable of mitigation. There are also general risks associated with any investment in shares.

There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in a business with limited operating history, such as DHR, is considered speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in shares. More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares;
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (d) the Company fails to generate sufficient profit in order to pay dividends.

In the event of insolvency, the holders of fully paid ordinary shares would not normally be liable to pay money to any person. An exception could occur where a distribution, such as a dividend, has been made to Shareholders in circumstances where the Company was unable at that time to meet the solvency test set out in the Corporations Act. In that case, a liquidator may call for a return of such distributions.

Potential investors should therefore carefully consider all associated risks before applying for New Shares under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Group and the value of the New Shares offered under this Prospectus are set out in this section. The risks listed below (and previously disclosed by the Company) should not be taken as exhaustive of the risks faced by the Company. Factors other than those listed may in the future materially affect the financial performance of the Company and the value of the New Shares.

### 6.2 General Risks

An investment in the New Shares should be considered speculative due to the nature of the mining industry generally. Exploration from minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome.

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There can be no assurance that the Company's intended exploration targets will lead to the development of mining operations.

The operations of the Company in developing and commissioning a mine may be affected by a range of factors including the failure to obtain all government approvals (to commence mining), protected grades in exploration, mining and processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, metallurgical problems which affect extraction rates and costs, adverse weather conditions, industrial and environment accidents, industrial disputes, unexpected shortages or increases in the cost of consumables, spare parts, plant and equipment.

A summary of the major general risks are described below:

(a) **Dilution**

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company to other parties in which case their interest in the Company may be significantly diluted (see section 1.11 for further details). Further the Entitlement Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted by the Offer. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted by up to 14.29% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed.

Acceptance of Entitlements, the issue of New Shares under the Overallotment Offer or the Offer of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such Offer is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of not more than 20.0%, subject to a number of exemptions.

(a) **Share price fluctuations**

The market price of the Company's Shares will be subject to varied and often unpredictable influences in the share market. Both domestic and world economic conditions may affect the performance of the Company and the share market price. Factors such as the level of industrial production, inflation and interest rates impact all commodity prices including minerals. The New Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

(b) **Management actions**

The Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

(c) **Government policy**

Changes in relevant taxation, interest rates, other legal, legislative or administrative regimes, or Government policies in Australia or any other jurisdiction where the Company or a company in the Group operates, may have an adverse affect on the

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assets, operations and ultimately the financial performance of the Company and the market price of its securities.

(d) **Financing**

In order to expand its activities the Company will be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise capital when it is required or that the terms associated with providing such capital will be satisfactory to the Company.

(e) **General Economic Conditions**

Factors such as inflation, currency fluctuations, interest rates, supply and demand, industrial disruption, government policy and legislation have an impact on operating costs, commodity prices, and the parameters in which the Company operates. Factors that may be beyond the control of the Company include:

- (1) general economic conditions in Australia and its trading partners and, in particular, inflation rates, interest rates, exchange rates, commodity supply and demand factors;
- (2) financial failure or default by a participant in any of the joint ventures or other contractual relationship to which the Company is, or may become, a party;
- (3) insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- (4) industrial disputes.

These as well as other conditions can affect the Company's future revenues and profitability and the price of its securities.

(f) **Industrial Risk**

Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect profitability.

(g) **Taxation**

In all places where the Company has operations, in addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

(h) **Commodity Price Risks**

The Company's prospects and Share price will be influenced by the price obtained from time to time for the commodities targeted in its exploration programs. Commodity prices fluctuate and are affected by factors including the relationship between global supply and demand for minerals, forward selling by producers, costs of production and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand factors. These factors may have an adverse effect on the Company's exploration and any subsequent development and production activities, as well as its ability to fund its future activities.

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(i) **Foreign Exchange**

Foreign exchange rates fluctuate over time. Fluctuating exchange rates have a direct effect on the Company's operating costs and cash flows expressed in Australian dollars. The Company does not currently have any formal currency hedging in place, which means that adverse changes to foreign exchange rates may have an adverse effect on the Company and its business.

(j) **Share Market Investments**

The New Shares are to be quoted on the ASX, where their price may rise or fall in relation to the Offer Price. The New Shares carry no guarantee in respect of profitability, dividends or return of capital, or the price at which they may trade on the ASX. The value of the Shares will be subject to the ASX market and hence a range of factors outside of the control of the Company and the Directors and officers of the Company. Such factors include the demand for and availability of Shares, movements in domestic and international interest rates and inflation rates, economic conditions and general economic outlook, exchange rates, fluctuations in the Australian and international share markets, taxation, government and monetary policies and demand and supply for capital. Returns from an investment in the New Shares offered under this Prospectus may also depend on general share market conditions, as well as the performance of the Company. Investors who decide to sell their New Shares may not receive the entire amount of their original investment. There can be no guarantee that an active market in the Shares will develop or that the price of the New Shares will increase.

(k) **Liquidity of Attaching Options**

The Company does not intend to seek listing of the Attaching Options. This may impact on the liquidity of the Attaching Options.

(b) **Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

## 6.3 Risks specific to an investment in the Company

In addition to the general risks noted in section 6.2, Eligible Shareholders and Other Investors should be aware of risks specific to an investment in the Company, which may include, but are not limited to the following:

(a) **Regulatory risk and government policy**

The availability and rights to explore and mine, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of DHR.

The relevant government departments in the countries in which DHR has interests do conduct reviews from time to time of policies in connection with the granting and administration of mining tenements. DHR has lithium tenements in San Luis, Argentina, which await certain regulatory appointments by the Governor to enable exploration to proceed. Whilst DHR remains confident that the required appointments will be made, no assurance can be given as to the timing or outcome.

Changing attitudes to environmental, land care, cultural heritage or traditional religious artefacts and indigenous land rights issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such

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changes may affect the Company's exploration plans or, indeed, its rights and/or obligations with respect to the tenements.

(b) **Exploration and evaluation risk**

Lithium and gold deposit exploration and development are high risk undertakings and even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. There can be no assurance that exploration will result in the discovery of an economic deposit and a number of factors outside the control of the Company can affect this outcome. The success of the Company is dependent on exploration success.

(c) **Victorian exploration risk**

The Company presently holds some 30.42% of ASX listed Lakes Oil NL which holds petroleum exploration interests in Victoria.

Lakes Oil NL has appealed against decision on fracking moratorium legislation in Victoria which has adversely impacted on its ability to progress its petroleum exploration interests in Victoria. The appeal has yet to be heard and no assurance can be given as to the likely outcome of the appeal proceedings.

(d) **Insurance risk**

The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance however, can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

(e) **Operational risks and costs**

Prosperity for DHR and its subsidiaries will depend largely upon an efficient and successful implementation of all the aspects of exploration, developments, business activities and management of commercial factors.

Exploration has been and will continue to be hampered on occasions by unforeseen weather events, accidents, unforeseen cost changes, environmental considerations, natural events and other incidents beyond the control of DHR.

By its nature, the business of exploration is a highly speculative endeavour and involves significant risks. The Company's performance depends on the successful exploration and/or acquisition of resources or reserves, competent operational management and efficient financial management. Further, the nature of exploration can sometimes result in industrial accidents and other incidents beyond the control of the Company.

There can be no assurances that the Company's exploration programs described in this Prospectus or those relating to any projects or tenements that the Company may acquire in the future, will result in the discovery of a significant mineral target. Even if a significant target is identified, there is no guarantee that it will be viable for economic exploitation. Ultimate success depends on the discovery and delineation of economically recoverable mineral resources, establishment of efficient exploration operations, obtaining necessary titles and access to projects, as well as government and other regulatory approvals.

The exploration and mining activities of the Company may be affected by a number of factors, including but not limited to geological conditions, seasonal weather patterns,

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technical difficulties and failures, continued availability of the necessary technical equipment, plant and appropriately skilled and experienced technicians, adverse changes in government policy or legislation and access to the required level of funding.

(f) **Business risks**

There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of DHR's operations.

(g) **Contractual and joint venture risk**

DHR's ability to efficiently conduct its operations in a number of respects depends upon a third party product and service providers and contracts have, in some circumstances, been entered into by DHR and its subsidiaries in this regard. As in any contractual relationship the ability for DHR to ultimately receive benefits from these contracts are dependent upon the relevant third party complying with its contractual obligations.

To the extent that such third parties default in their obligations, it may be necessary for DHR to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by DHR that a legal remedy will ultimately be granted on appropriate terms.

The Company may wish to develop its projects or future projects through joint venture arrangements, while a number of the Company's projects are already the subject of joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to the Company, could be affected by the failure or default of any of the joint venture participants.

(h) **Environmental regulations and risks**

National and local environmental laws and regulations affect nearly all of the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. The Company will minimise the potential impact of these laws and regulations by taking steps to ensure compliance occurs and, where possible, by carrying appropriate insurance.

Significant liability could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of properties acquired by the Company or non-compliance with environmental laws or regulations.

(i) **Sovereign risks**

Any future material adverse changes in government policies or legislation in Australia, Argentina, or any other jurisdiction in which the Company undertakes or may undertake operations that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company and its projects.

(j) **Commodity prices**

DHR's prospects and perceived value will be influenced from time to time by the prevailing short-term prices of the commodities targeted in its exploration programs.

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Commodity prices fluctuate and are affected by factors including supply and demand for mineral products, hedge activities associated with commodity markets, the costs of production and general global economic and financial market conditions.

These factors may cause volatility which in turn, may affect the Company's ability to finance its future exploration and/or bring Company's to market.

(k) **Tenements**

A failure to adhere to the requirements to exceed certain levels of expenditure on concessions and tenements held by DHR (or its subsidiaries) in various jurisdictions may make certain concessions and tenements subject to possible forfeiture. All granted concessions and tenements are currently in good standing and, in accordance with normal industry practice. DHR surrenders some or all un-prospective parts of its concessions and tenements at the appropriate time so as to manage its minimum expenditure obligations and to retain the capacity to apply for additional prospective areas.

(e) **Title Risk**

The exploration and prospecting permits and claims in which the Company has now, or may, in the future, acquire an interest, are subject to applicable local laws and regulations. There is no guarantee than any claims, applications or conversions in which the Company has a current or potential interest will be granted.

All of the projects in which the Company has an interest will be subject to application for claim renewal from time to time. Renewal of the term of each claim is subject to applicable legislation. If the claim is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that claim.

Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

(l) **Feasibility and development risks**

Given the early stage of the Company's projects, there will be a complex, multidisciplinary process to be undertaken to complete a feasibility study to support any development proposal. There is a risk that the feasibility study and associated technical works will not achieve the results expected. There is also a risk that even if a positive feasibility study is produced, the project may not be successfully developed for commercial or financial reasons.

(m) **Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(n) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the outcome of the Company's exploration programs, the Company may require further financing in addition to amounts raised under this Prospectus. Any additional equity



# Prospectus

financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs. In addition, the Company's ability to continue as a going concern may be diminished.

There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company and such circumstances will adversely affect the Company.

(o) **Contractors**

The Company is dependent on contractors and suppliers to supply vital services to its operations. The Company is therefore exposed to the possibility of adverse developments in the business environments of its contractors and suppliers. Any disruption to services or supply may have an adverse effect on the financial performance of the Company.

(p) **Reliance on key personnel**

In formulating its exploration programs, the Company relies to a significant extent upon the experience and expertise of the Directors and management. These persons possess knowledge of many of the Company's tenements through extensive personal experience of prospecting in those areas.

Although information concerning the Company's tenements has been chronicled, the loss of one or more of these key personnel may adversely affect the Company's prospects of pursuing its exploration programmes within the timeframes and within the cost structure currently envisaged.

Although the key personnel have a considerable amount of experience and have previously been successful in their pursuits of important prospecting discoveries, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Company.

(q) **Employees**

The ability of the Company to achieve its objectives depends on being able to retain certain key employees, skilled operators and tradespeople. The loss of key employees or skilled operators and tradespeople could significantly affect the performance of the Company's operations.

## 6.4 Speculative nature of Investment

The above list of risk factors is not to be taken as exhaustive of the risks faced by the Company or by Shareholders in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus.

Accordingly, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns, returns of capital or market value at any time. Shareholders and Other Investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares.

# Prospectus

## **7. Rights and liabilities attaching to securities**

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### **7.1 Rights and liabilities attaching to New Shares**

The rights attaching to ownership of the New Shares (and the Shares issued upon the exercise of the Attaching Options and Additional Options) are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours. The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

#### *Voting*

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

#### *Dividends*

The New Shares will rank equally with all other issued Shares in the capital of the Company and will participate in dividend out of profits earned by the Company from time to time. Subject to the rights of holders of shares of any special preferential or qualified rights attaching thereto, the profits of the Company are divisible amongst the holders of Shares in proportion to the Shares held by them irrespective of the amount paid up or credited as paid up thereon. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

#### *Transfer of the Shares*

Generally, the Shares and Options in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of Shares or Options but only where permitted to do so under its Constitution or the ASX Listing Rules.

#### *Winding up*

Upon accepting the Entitlement to New Shares or submitting an application for Additional Shares or Overallotment Shares and paying the Application Monies, Shareholders or prospective investors who become Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

#### *Future increases in Capital*

The allotment and issue of any new Shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the Corporations Act, the Directors may allot or otherwise dispose of new Shares on such terms and conditions as they see fit.

#### *Variation of Rights*

At present, the Company has only ordinary Shares on issue. If the shares of another class were issued, the rights and privileges attaching to ordinary Shares could only be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary Shares by a three quarter majority of such holders or the written consent of the holders of at least three quarters of the ordinary Shares.

# Prospectus

## *General Meeting*

Each holder of Shares will be entitled to receive notice of and to attend and vote at general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

For more particular details of the rights attaching to ordinary Shares in the Company, investors should refer to the Constitution of the Company.

## **7.2 Rights attaching to Attaching Options**

The Attaching Options will be exercisable at \$0.005 cents each in accordance with the following terms and conditions:

- (a) the Attaching Options are exercisable on or before 30 November 2019;
- (b) the Attaching Options may be exercised by notice in writing to the Company on or before 30 November 2019 by delivering a duly completed form of notice of exercise together with a cheque for the exercise price of \$0.005 cents per option to the Company at any time prior to the expiry date;
- (c) the exercise price for each Attaching Option will be \$0.005 cents;
- (d) the Attaching Options may be transferred at any time;
- (e) the Company does not intend to seek listing of the Attaching Options on ASX;
- (f) for every two (2) Attaching Options that are exercised, the Option Holder will receive one (1) Additional Option;
- (g) holders of Attaching Options will be permitted to participate in new issues of securities of the Company on the prior exercise of the Attaching Options, in which case the holder of the Attaching Options will be afforded such period of notice as prescribed under the ASX Listing Rules prior to and inclusive of the book's closing date (to determine entitlements to the issue) to exercise the Attaching Options;
- (h) holding statements will be issued for the Attaching Options. In addition, accompanying the new option holding statement there will be endorsed a notice that is to be completed when exercising the Attaching Options. Both the option holding statement and the Notice of Exercise of Option Form are required to be duly completed and sent to the Company when exercising the Attaching Options. If there is more than one Option on a holding statement and prior to the expiry date those Attaching Options are exercised in part, the Company will issue another holding statement for the balance of the options held and not yet exercised; and
- (i) on a reorganisation of capital, the rights of the Option Holder will be changed to comply with the Listing Rules then applying to a reorganisation of capital.

## **7.3 Rights attaching to Additional Options**

The Additional Options will be exercisable at \$0.012 cents each in accordance with the following terms and conditions:

- (a) the Additional Options are exercisable at any time from the date of issue to on or before 31 May 2021;

# Prospectus

- (b) the Additional Options may be exercised by notice in writing to the Company on or before 31 May 2021 by delivering a duly completed form of notice of exercise together with a cheque for the exercise price of \$0.012 cents per option to the Company at any time prior to the expiry date;
- (c) the exercise price for each Additional Option will be \$0.012 cents;
- (d) the Additional Options may be transferred at any time;
- (e) the Company does not intend to seek listing of the Additional Options on ASX;
- (f) holders of Additional Options will be permitted to participate in new issues of securities of the Company on the prior exercise of the Additional Options, in which case the holder of the Additional Options will be afforded such period of notice as prescribed under the ASX Listing Rules prior to and inclusive of the book's closing date (to determine entitlements to the issue) to exercise the Additional Options;
- (g) holding statements will be issued for the Additional Options. In addition, accompanying the new option holding statement there will be endorsed a notice that is to be completed when exercising the Additional Options. Both the option holding statement and the Notice of Exercise of Option Form are required to be duly completed and sent to the Company when exercising the Additional Options. If there is more than one Option on a holding statement and prior to the expiry date those Additional Options are exercised in part, the Company will issue another holding statement for the balance of the options held and not yet exercised; and
- (h) on a reorganisation of capital, the rights of the Option Holder will be changed to comply with the Listing Rules then applying to a reorganisation of capital.

# Prospectus

## 8. Additional information

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### 8.1 Transaction specific prospectus

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Prospectus or options to acquire such securities. Apart from formal matters, this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the New Shares, Attaching Options and Additional Options.

Copies of the documents lodged by the Company with ASIC may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) the annual financial report for the Company for the year ended 30 June 2018;
- (b) the half-yearly financial report for the Company for the period ending 31 December 2018; and
- (c) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the year ended 30 June 2018 and ending on the date of lodgement of this Prospectus with ASIC.

### 8.2 ASX Information and Share information

The ASX Announcements that the Company has made since 19 October 2018 are set out in Appendix A of this Prospectus. Copies of ASX announcements made by the Company may be obtained on the ASX website or the Company's website:

<https://www.darkhorseresources.com.au>

The highest and lowest prices of shares in the Company on the ASX in the six month period before the date of this Prospectus and the respective dates of those sales are set out below.

	High (cents)	Low (cents)	Volume weighted average (cents)
One month	0.5	0.3	0.46
Three months	0.6	0.3	0.46
Six months	0.7	0.3	0.48

The last market sale price of Shares as at 31 July 2019 was \$0.004.

# Prospectus

## 8.3 Directors' interests

The nature and extent of the interest (if any) that any of the Directors of the Company hold, or held at any time during the last 2 years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the Company in connection with:
  - (1) its formation or promotion; or
  - (2) the Offer; or
- (c) the Offer,

is set out below.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any Director or proposed Director:

- (a) to induce them to become, or to qualify as, a Director of the Company; or
- (b) for services provided by a Director in connection with:
  - (1) the formation or promotion of the Company; or
  - (2) the Offer.

Set out below are details of the interest of the Directors in the securities of the Company immediately prior to lodgement of the Prospectus with the ASIC. Interest includes those securities held directly and indirectly. The table does not take into account any New Shares, Attaching Options or Additional Options the Directors may acquire under the Offer.

Director	Number of Shares	Number of Options	Number of Performance Rights
Nick Mather	41,452,159	4,000,000	8,628,241
Brian Moller	36,543,020	4,000,000	8,249,504
David Mason	104,012,602	12,000,000	13,965,892
Jason Beckton	Nil	4,000,000	Nil

## 8.4 Directors' fees

Set out below is the remuneration paid or payable to the current Directors of the Company and their associated entities for the past two years.

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Director	Financial Year ending 30 June 2018	Financial Year ending 30 June 2019	Year to 31 July 2019
	Base fees/salary (\$)	Base fees/salary(\$)	Base fees/salary(\$)
David Mason	249,500	300,000	25,000
Nick Mather	43,333	50,000	4,167
Brian Moller	43,333	50,000	4,167
Jason Beckton	8,333	50,000	4,167

*Notes: The above disclosure relates only to current Directors and does not include directors who resigned during the periods shown.*

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the Corporations Act and accordingly, member approval is not required.

Details of the intention of Directors to participate in the Offer are set out in section 1.10.

## 8.5 Substantial Holders

The following are details of those Shareholders who hold more than 5% of the Shares prior to the date of this Prospectus:

Substantial Holder	Number of Shares	%
DGR Global Limited	330,613,371	16.33
Fairground Pty Ltd	108,294,604	5.35%

## 8.6 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an “arm’s length” basis, reasonable remuneration basis or been approved by shareholders in general meeting.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an “arm’s length” basis, reasonable remuneration basis or been approved by Shareholders in general meeting.

The Company discloses the following transactions with related parties which have either proceeded on an “arm’s length” or reasonable remuneration basis. The transactions are:

- (a) proposed capital issues to Directors or interests associated with Directors;
- (b) employment agreements with related parties; and

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- (c) payment of Directors' fees to Non-executive Directors.

## 8.7 Interests of experts and advisers

This section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and stockbrokers or arrangers (but not sub-underwriters) to the Offer (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last 2 years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer of New Shares, Attaching Options and Additional Options under this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) formation or promotion of the Company; or
- (b) offer of New Shares under this Prospectus.

HopgoodGanim Lawyers has acted as solicitors to the Offer and has performed work in relation to the Prospectus and in relation to preparing the due diligence and verification program and performing due diligence required on legal matters, however, they do not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately \$25,000 (excluding disbursements and GST) to HopgoodGanim Lawyers. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time based charges.

## 8.8 Limitation on foreign ownership

The *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) sets limitations on the ability of foreign persons to hold shares or other securities convertible into shares (such as options) in an Australian company. Foreign persons whom are controlled by a foreign government may also be subject to further requirements under Australia's Foreign Investment Policy as published by the Foreign Investment Review Board from time to time.

The FATA regulates acquisitions giving rise to ownership of substantial amounts of a company's Shares.

The FATA prohibits:

- (a) any natural person not ordinarily resident in Australia; or
- (b) any corporation in which either a natural person not ordinarily resident in Australia or a foreign corporation (as defined in the FATA) holds a controlling interest; or
- (c) two or more such persons or corporations,

from acquiring or entering into an agreement to acquire an interests in an existing Australian corporation if after the acquisition such person or corporation would hold a substantial interest



# Prospectus

in a corporation, or where two or more persons or corporations would hold an aggregate substantial interest (defined below), without first applying in the prescribed form for approval by the Australian Treasurer and receiving such approval or receiving no response in the 40 days after such application was made.

A foreign shareholder will not be required to seek approval by the Australian Treasurer where they are acquiring their entitlement under a pro-rata entitlement offer.

Acquisitions of interests may include the acquisition of shares, options or any other instrument which may be converted to shares, as well as any other type of arrangement which results in control of the corporation.

A holder will be deemed to hold a substantial interest in a corporation if the holder alone or together with any associates (as defined in the FATA) is in a position to control not less than 15 percent of the voting power in the corporation or holds interests in not less than 15 percent of the issued shares in that corporation. Two or more holders hold an aggregate substantial interest in a corporation if they, together with any associates (as so defined), are in a position to control not less than 40 percent of the voting power in that corporation or hold not less than 40 percent of the issued Shares in that corporation. The Constitution of the Company contains no limitations on a non resident's right to hold or vote the Company's Shares.

## **8.9 Subsequent events**

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

## **8.10 Litigation**

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

## **8.11 Privacy**

By submitting an Entitlement and Acceptance Form or Application Form for shares you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Link Market Services Limited an external service provider. The Company requires Link to comply with the National Privacy Principles with performing these services. The Company's register is required under the *Corporations Act* to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

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The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the DHR group of companies;
- (e) to your broker;
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Link, except in limited circumstances. If you wish to access, update or correct your personal information held by Link or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

## 8.12 Expenses of the offer

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer, on the basis that the Entitlement Offer and Overallotment Offer are fully subscribed, are estimated to be in the order of \$56,584 (excluding GST) and are expected to be applied towards the items set out in the table below:

Item	Entitlement Offer Only	Entitlement Offer and Overallotment Offer
Legal costs of the Offer	\$25,000	\$25,000
ASX costs	6,800	8,378
ASIC lodgement fee	\$3,206	\$3,206
Printing, postage and share registry	\$20,000	\$20,000
<b>Total capital raising fees</b>	<b>\$55,006</b>	<b>\$56,584</b>

## 8.13 Consents and disclaimers

Written consents to the issue of this Prospectus have been given and at the time of this Prospectus have not been withdrawn by the following parties:

Link Market Services Limited has given and has not withdrawn its consent to be named in this Prospectus as the share registry of the Company in the form and context in which it is named. It has had no involvement in the preparation of any part of this Prospectus other than recording

# Prospectus

its name as share registrar to the Company. It takes no responsibility for any part of the Prospectus other than the references to its name.

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Prospectus as lawyers to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

## **8.14 Directors' statement**

This Prospectus is issued by Dark Horse Resources Limited.

Each director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Dark Horse Resources Limited by



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Nick Mather  
Chairman

# Prospectus

## 9. Definitions & glossary

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Terms and abbreviations used in this Prospectus have the following meaning:

<b>Acceptance</b>	An acceptance of Entitlements
<b>Application Monies</b>	The Issue Price multiplied by the number of New Shares applied for
<b>Additional Option Offer</b>	The offer to Eligible Shareholders of an Additional Option for every two (2) Attaching Options exercised prior to the Attaching Option Expiry Date to acquire one fully paid ordinary Share at an Exercise Price of \$0.012 on or before the Additional Option Expiry Date
<b>Additional Option Expiry Date</b>	31 May 2021
<b>Additional Shares</b>	Those Shares which Eligible Shareholders may apply for under the Shortfall Offer in excess of their Entitlement in the event that there is a Shortfall as described in section 1.8
<b>Applicant</b>	An Eligible Shareholder who submits an Entitlement and Acceptance Form or an Other Investor who submits an Application Form
<b>Application</b>	An application for New Shares by an Applicant
<b>Application Form</b>	A “shortfall application form” in the form accompanying this Prospectus
<b>Attaching Option</b>	An Option granted to Eligible Shareholders to subscribe for a fully paid Share at an Exercise Price of \$0.005 on or before the Attaching Option Expiry Date to be issued on the basis of one Attaching Option for every two (2) New Shares allotted under the Issue, subject to the Eligible Shareholder
<b>Attaching Option Exercise Price</b>	\$0.005 per Attaching Option
<b>Attaching Options Expiry Date</b>	30 November 2019
<b>Attaching Options Issue Date</b>	2 September 2019
<b>ASIC</b>	Australian Securities & Investments Commission
<b>ASX</b>	ASX Limited
<b>ASX Settlement</b>	ASX Settlement Pty Ltd
<b>Board</b>	The board of Directors of the Company
<b>Business Day</b>	A day, other than a Saturday or Sunday, on which banks are open for general banking business in Brisbane
<b>CHESS</b>	The Clearing House Electronic Sub-register System, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form
<b>Closing Date</b>	The date by which valid Acceptances must be received by the Share Registry, being 26 August 2019 or such other date

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	determined by the Board in accordance with the Listing Rules
<b>Company or DHR</b>	Dark Horse Resources Limited ACN 068 958 752
<b>Constitution</b>	The Constitution of the Company
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Debt Conversion Facility</b>	The facility described in section 3.3 under which Eligible Shareholders who are also creditors of the Company may elect to take up their Entitlement by means of conversion of some or all of the existing debt owed to them by the Company
<b>Directors</b>	The directors of the Company from time to time
<b>Eligible Shareholder</b>	A Shareholder of the Company who holds shares in the Company on the Record Date and whose registered address is in Australia or New Zealand.
<b>Eligible Optionholder</b>	A Shareholder who exercises an Attaching Option prior to the Attaching Option Expiry date
<b>Entitlement</b>	The entitlement to apply for New Shares and Attaching Options under this Prospectus
<b>Entitlement and Acceptance Form or Form</b>	An entitlement and acceptance form in the form attached to this Prospectus
<b>Existing Options</b>	All existing Options to subscribe for Shares currently on issue as at the date of this Prospectus
<b>Group</b>	The Company and each of its wholly owned subsidiaries
<b>Hard Copy Prospectus</b>	Paper version of this Prospectus
<b>Issue or Offer</b>	The issue of New Shares, Attaching Options and Additional Options in accordance with this Prospectus
<b>Issue Price</b>	\$0.004 for each New Share applied for
<b>Law</b>	The Corporations Act or any relevant and applicable law in Australia
<b>Listing Rules</b>	The official listing rules of the ASX
<b>New Shares</b>	Shares proposed to be issued under the Offer
<b>Official List</b>	The official list of entities that ASX has admitted and not removed
<b>Official Quotation</b>	Quotation on the Official List
<b>Online Prospectus</b>	The electronic version of this Prospectus which can be viewed at <a href="https://www.darkhorseresources.com.au">https://www.darkhorseresources.com.au</a> .
<b>Opening Date</b>	The date of commencement of the Offer in respect of the New Shares, expected to be 9 August 2019
<b>Option Holders</b>	The holders of the Existing Options
<b>Options</b>	Options on issue in DHR from time to time
<b>Other Investor</b>	An investor who submits an Application for New Shares to be issued under the Shortfall Offer or Overallotment Offer
<b>Overallotment Offer</b>	The facility whereby the Company may issue up to 125,000,00 New Shares at the Issue Price to:

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	<p>(a) Eligible Shareholders who have applied for Additional Shares, where there are insufficient New Shares under the Shortfall to satisfy in whole or in part that Eligible Shareholder's Application for Additional Shares; or</p> <p>(b) Other Investors.</p>
<b>Overallotment Shares</b>	New Shares issued pursuant to the Overallotment Offer
<b>Professional Investor</b>	Has the meaning given to that term in the Corporations Act
<b>Prospectus</b>	This prospectus dated 1 August 2019 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus
<b>Record Date</b>	5 August 2019
<b>Register</b>	Company register of DHR
<b>Securities</b>	Has the same meaning as in section 92 of the Corporations Act
<b>Settlement Operating Rules</b>	The operating rules of ASX Settlement
<b>Share Registry</b>	Link Market Services Limited
<b>Shares</b>	The ordinary shares on issue in the Company from time to time
<b>Shareholders</b>	The holders of Shares from time to time
<b>Shortfall</b>	Any New Shares not subscribed for by Eligible Shareholders under the Offer
<b>Shortfall Offer</b>	The offer of any Shortfall as described in section 3.4

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## Appendix A

### (ASX Announcements)

Date	Title of Announcement
23/10/2018	Quarterly Cashflow Report
24/10/2018	Quarterly Activities Report
25/10/2018	Pending Share Issue Advice
25/10/2018	Appendix 3B
29/10/2018	Pending Retirement of Director
30/10/2018	Change of Director's Interest Notice *2
31/10/2018	Final Director's Interest Notice (Stuart)
12/11/2018	Corporate and Project Update
22/11/2018	CEO Presentation to AGM
22/11/2018	Results of Meeting
10/12/2018	Appendix 3B
14/12/2018	Santa Cruz Gold Projects Update
16/01/2019	Santa Cruz Gold Projects Update
22/01/2019	Dark Horse Secures Further Gold Project in Argentina
31/01/2019	Quarterly Activities Report
31/01/2019	Quarterly Cashflow Report
31/01/2019	Expiry of Options
19/02/2019	Corporate and Project Update
22/02/2019	Change in substantial holding for LKO
05/03/2019	Cachi Gold Project Update
15/03/2019	Half Yearly Report and Accounts
28/03/2019	Australian Energy & Minerals Conference Presentation
02/04/2019	La Openas Gold Project Drilling Update
10/04/2019	Change in substantial holding for LKO
30/04/2019	Quarterly Activities Report
30/04/2019	Quarterly Cashflow Report
01/05/2019	First Pass Drilling Completed at Las Openas Gold Project
27/05/2019	Argentinean Gold Project Update
29/05/2019	Notice of Extraordinary General Meeting/Proxy Form
06/06/2019	DHR Withdraws Resolution 2 from Notice of EGM
12/06/2019	Corporate Presentation - Argentinean Lithium
12/06/2019	Corporate Presentation - Exploration Results

# Prospectus

18/06/2019	Change in substantial holding for LKO
28/06/2019	Results of EGM
03/07/2019	Appendix 3B
04/07/2019	Cleansing Notice
26/07/2019	Las Openas Gold Project Update
30/07/2019	Cachi Gold Project Update
30/07/2019	Cachi Gold Project Update - Complete JORC Table
01/08/2019	Quarterly Activities Report
01/08/2019	Quarterly Cashflow Report



# Prospectus

## Appendix B - Investor Presentation



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# COMPANY SUMMARY

JULY 2019

## DISCLAIMER

Any material used in this presentation is only an overview and summary of certain data selected by the management of Dark Horse Resources Limited (**DHR**). The presentation does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in DHR nor does it contain all the information which would be required in a disclosure document prepared in accordance with the requirements of the Corporations Act and should not be used in isolation as a basis to invest in DHR. Recipients of this presentation must make their own independent investigations, consideration and evaluation of DHR. DHR recommends that potential investors consult their professional advisor/s as an investment in DHR is considered to be speculative in nature.

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This presentation contains certain “forward-looking statements”. The words “expect”, “should”, “could”, “may”, “predict”, “outlook”, “guidance”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of DHR and the Relevant Parties, that may cause actual results to differ materially from those predicted or implied by any forward-looking statements. DHR makes no representations as to the accuracy or completeness of any such statement of projections or that any projections will be achieved and there can be no assurance that any projections are attainable or will be realized or that actual outcomes will not differ materially from any forward-looking statements.



# STRATEGIC FOCUS

Dark Horse is focused on the following key strategic commodities and sectors.

## LITHIUM

**Objective to produce high grade Lithium chemicals for the domestic and international battery and electronic markets by:**  
Targeting commercial quantities and grades of lithium spodumene resources in central Argentina, and defining a large lithium brine resource in northern Argentina.

## GOLD

**Objective is the discovery and definition of several multimillion ounce gold deposits by:**  
Targeting epithermal gold systems in proven gold regions and mining friendly provinces in Argentina.

## ENERGY

**Objective is to actively be a part of the energy sector by:**  
Participating in the production and downstream processing of gas; and  
develop renewable, thermal and energy power projects.



# AT A GLANCE

An Australian, publicly listed mineral resource and energy company, **ASX: DHR**.

**A team with an impeccable track record** of accumulating strategic, multi-billion dollar mineral assets in dynamic geological environments.

No less than **four ongoing Argentine projects**, with exceptional prospects, yet undervalued.



**LAKES OIL NL (30.4%)**  
Victoria, Australia



**1 SAN JORGE**  
**LITHIUM BRINE (100%<sup>^\*</sup>)**  
Catamarca, Argentina

**2 CENTRAL ARGENTINA**  
**LITHIUM SPODUMENE (100%<sup>\*</sup>)**  
Cordoba & San Luis, Argentina

**3 LAS OPEÑAS GOLD (100%<sup>\*</sup>)**  
San Juan, Argentina

**4 CACHI GOLD (95%<sup>\*</sup>)**  
Santa Cruz, Argentina

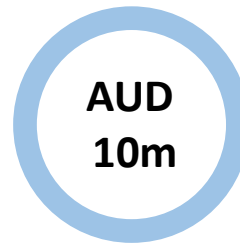
<sup>^</sup>Subject to final DD

<sup>\*</sup>Subject to Farm-in arrangements

# CORPORATE SNAPSHOT



**ASX TICKER**



**MARKET CAP**

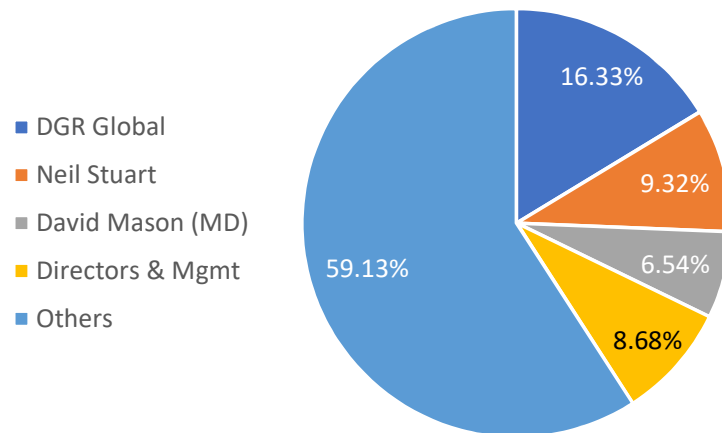
*Equivalent to Lakes Oil holdings alone.*



**SHARE PRICE**

all information as at close of trading 30 July 2019

## MAJOR SHAREHOLDERS



## DARK HORSE RESOURCES

Shares on Issue	2.025 billion
Year Low-High Share Price	AUD 0.003 - 0.013
Lakes Oil Investment Value	AUD\$10 million



# WHO WE ARE

Geo-scientist entrepreneurs who have a strong track record of discovering high growth assets, value creation, and wealth building projects.



**NICK MATHER**  
**CHAIRMAN**

DGR, SOLGOLD  
ORBIS, ARROW



**DAVID MASON**  
**MANAGING DIRECTOR**

NEW HOPE,  
ADARO, IEC



**JASON BECKTON**  
**DIRECTOR**  
PROSPECH, EXETER,  
CHINALCO

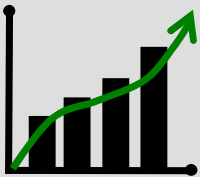


**NEIL STUART**  
**ADVISOR**  
CERRO NEGRO,  
OROCOBRE

# WE'RE COMFORTABLY FOCUSED ON ARGENTINA



**Safe & secure country** in demand, with stable fiscal regime and **enormous mineral deposits**.



## Progressive Government

- Pro investment & business.
- Significant economic and social achievements.
- Working with communities.



## Mining Achievements

- Cerro Negro, Vanguardia, Alumbreira, Veladero, Orocobre, Livent.







## LAS OPEÑAS GOLD PROJECT

➤ Las Opeñas is located on the north of Cordillera Frontal Belts (Cu, Au, Ag, Mo) in a gold region which is host to numerous, multi-million-ounce epithermal style gold-silver deposits including Veladero, Pascua Lama, Gualcamayo, in San Juan Province and El Indio in neighbouring Chile.

➤ In 1910-20's artisanal mine holders took out gold on high grade epithermal veins in Las Opeñas project.

➤ Extensive historical exploration by Teck Resources (Canada) highlight high-grade mineralization; max gold 183.5g/t Au; max silver 6,789g/t Ag (refer to ASX release from Genesis Minerals Limited of 6 April 2011).

# LAS OPEÑAS GOLD PROJECT VEIN SYSTEMS AND DRILLING RESULTS

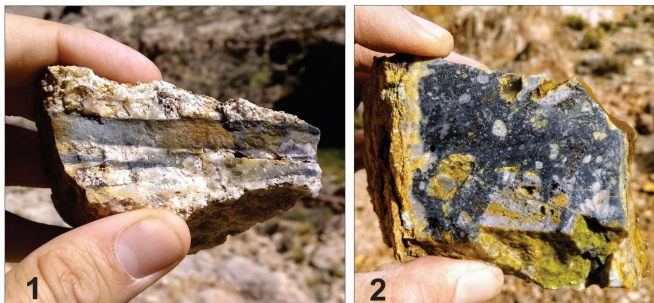
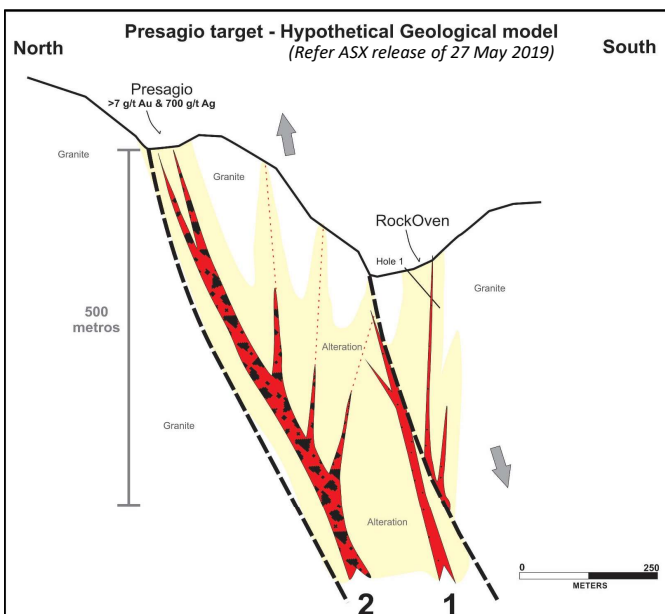
Target is to define vein systems of 5 to 10g/t AuEq with total width of circa 20m over several kilometers extending to depth.

Drill program in March-April 2019 was 17 RC holes for 1,536m to test three vein-breccias targets between 50 and 70-meters depth with high gold grade at surface.

## Drill Program Best Results

LORC-19-11	3.0m	of 4.75 g/t gold and 54.9 g/t silver from 101m.
LORC-19-13	1.0m	of 4.84 g/t gold and 349.0 g/t silver from 23m.
LORC-19-16	1.0m	of 1.54 g/t gold and 14.5 g/t silver from 0m.
"	7.0m	of 0.04 g/t gold and 162.3 g/t silver from 82m.
"	2.0m	of 0.04 g/t gold and 528 g/t silver from 86m.
LORC-19-17	1.0m	of 0.04 g/t gold and 117 g/t silver from 87m.

Refer ASX release of 27 May 2019



- 1- ROCKOVEN target. Saccharoidal Vein quartz, sometime brecciated, 2% of sulfides: Pyrite, Arsenopirite, Calcopirite, Galena, Sphalerite. Low gold-silver grade.
- 2- PRESAGIO target. Chalcadonic-sulfide cemented breccia, Matrix supported, sometime carbanted banded, vuggy clasts. >5% of sulfides: Pyrite, Arsenopirite, Sphalerite, Calcopirite, Galena. High gold-silver grade.

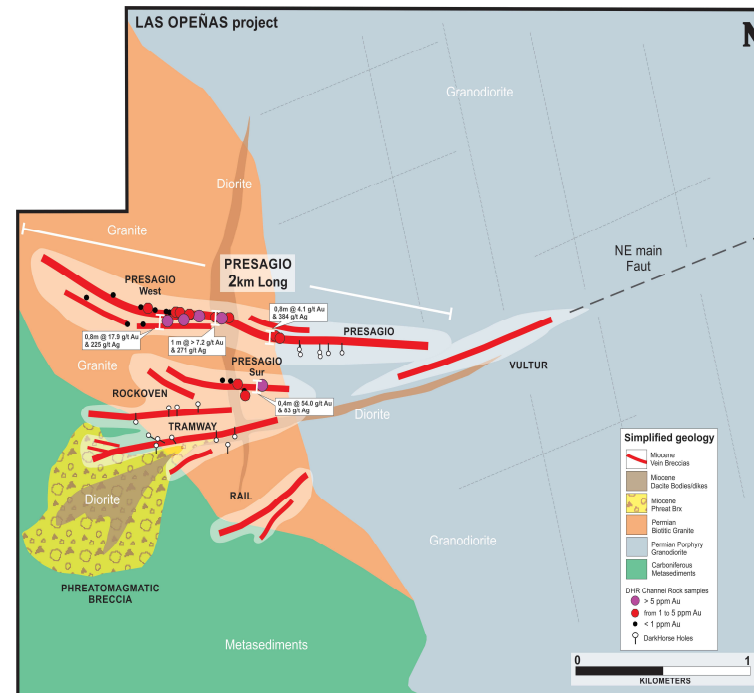


FIGURE ABOVE – LAS OPEÑAS VEIN BRECCIA TARGETS AND LOCATION OF DIAMOND CHANNEL SURFACE SAMPLES.

FIGURE LEFT – PRESAGIO HYPOTHETICAL GEOLOGICAL MODEL INDICATING TARGETED MINERALISATION AT DEPTH.



# LAS OPEÑAS GOLD PROJECT

## PRESAGIO VEIN OUTCROP

### 183 g/t GOLD, 6.8 kg/t SILVER

*Refer ASX release from Genesis Minerals Limited of 6 April 2011*

- Presagio surface sampling May-June 2019 was 34 Diamond Channel Samples cut over 2km strike length. **Five samples have gold grades in excess of 5g/t.**

#### **Best results:**

0.4m @ 54.2g/t gold, 83g/t silver  
0.8m @ 17.9g/t gold, 225g/t silver  
0.7m @ 10.4g/t gold, 263g/t silver  
1.0m @ 7.2g/t gold, 271g/t silver  
0.8m @ 7.7g/t gold, 336g/t silver

*Refer ASX release of 26 July 2019*





## CACHI GOLD PROJECT

A 46,892ha lease package located in central-western region of Santa Cruz Province.

### DESEADO MASSIF – HIGH GRADE EPITHERMAL GOLD PROVINCE

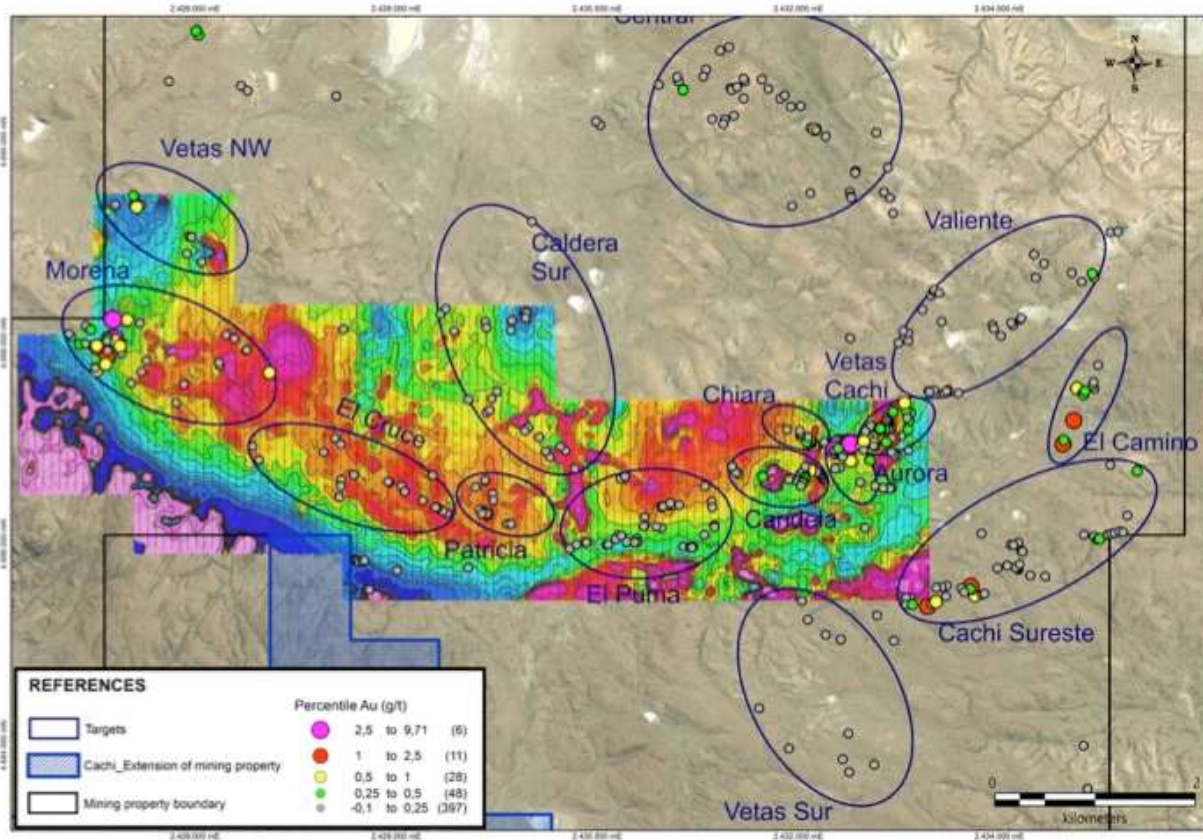
- Greater than 28 million gold equivalent ounces of total endowment (owned by third parties).
- Pro-mining jurisdiction - seven mines in the past 15 years.

### MULTIPLE COMPANY MAKER DISCOVERIES

- Cerro Negro - Andean Resources acquired by Goldcorp for US\$3.4B in 2010
- Cerro Moro - Extorre Resources acquired by Yamana for C\$413M in 2012
- Cerro Vanguardia – AngloGold



## CACHI GOLD PROJECT DESEADO MASSIF - HIGH GRADE EPITHERMAL GOLD PROVINCE



**FIGURE – 15 MINERALISED TARGETS WITH THE CALDERA MARGIN WHICH IS WELL MAPPED BY GROUND MAGNETICS.**

- 15 mineralised targets with 6 major ones being Vetás Cachi, Morena, Vetás NW, Patricia, Puma and El Camino.
- Results of these mineralized targets, point to the Cachi Gold Project as having significant potential for the discovery of a large precious metal system, similar to others in the region.
- Main areas of quartz veining are located on structures close to a significant caldera margin (identified on figure in red, magenta, yellow).
- Cut-back structures, interpreted to be deep seated and related to the late stages of caldera collapse. The structures act as channel pathways for mineralising fluids entering the system.
- Veining occurs over a significant area of 10km by 6km.
- The drilling program is planned to commence in the summer of 2019/2020.



**DARK HORSE**  
RESOURCES

**SAN JORGE  
LITHIUM BRINE  
PROJECT**

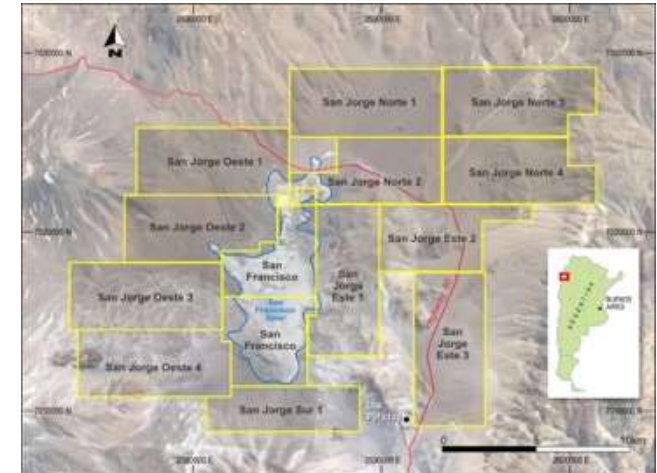
- 15 granted EL's 36,600 hectares over the San Francisco salar and surrounding basin.
- Nucleus of salar is 7,000 hectares - large enough to define a world class lithium brine deposit.
- Location between Maricunga (Chile), 3Q, Anatofalla and Hombre Muerto.
- Dark Horse has the option to earn 100%.
- Catamarca supportive of exploration and mining - Livent, Galaxy, Posco and Albemarle.





**FIGURE – SAN FRANCISCO SALAR DRILLING PLAN. EXPLORATION PROGRAM WILL COMMENCE IN ARGENTINE SPRING 2019. IT INCLUDES SURFACE AUGERING AND ASSAYS, GEOPHYSICS AND DRILLING.**

## SAN JORGE LITHIUM BRINE PROJECT GEOPHYSICS AND DRILLING PLAN



**FIGURE - MAP OF EXPLORATION LICENCES COVERING THE SAN FRANCISCO SALAR AND SURROUNDING BASIN (36,000HA).**



**FIGURE – POTENTIAL RESOURCE AT DEPTH**





**CENTRAL ARGENTINA  
LITHIUM  
SPODUMENE**

Dark Horse discovered superior assay results of  $\text{Li}_2\text{O}$  from primary target El Totoral:

- San Luis Mine area – **1.91% and 1.97%  $\text{Li}_2\text{O}$**
- Central area – **1.13%  $\text{Li}_2\text{O}$**
- Southern area – **2.35% and 1.71%  $\text{Li}_2\text{O}$**

*Commercial Spodumene deposits require a Lithium Oxide ( $\text{Li}_2\text{O}$ ) mineral content of greater than 1%.*

*Refer ASX release of 6 April 2017*



## CENTRAL ARGENTINA LITHIUM SPODUMENE PROJECT PRIMARY TARGET – EL TOTORAL PEGMATITE

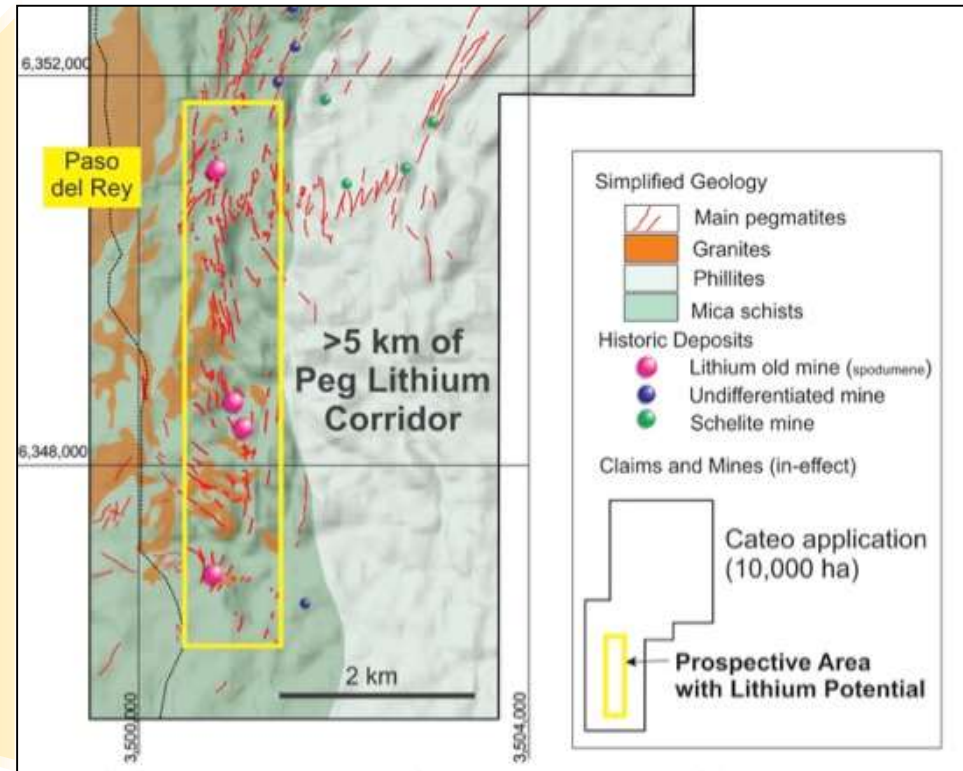
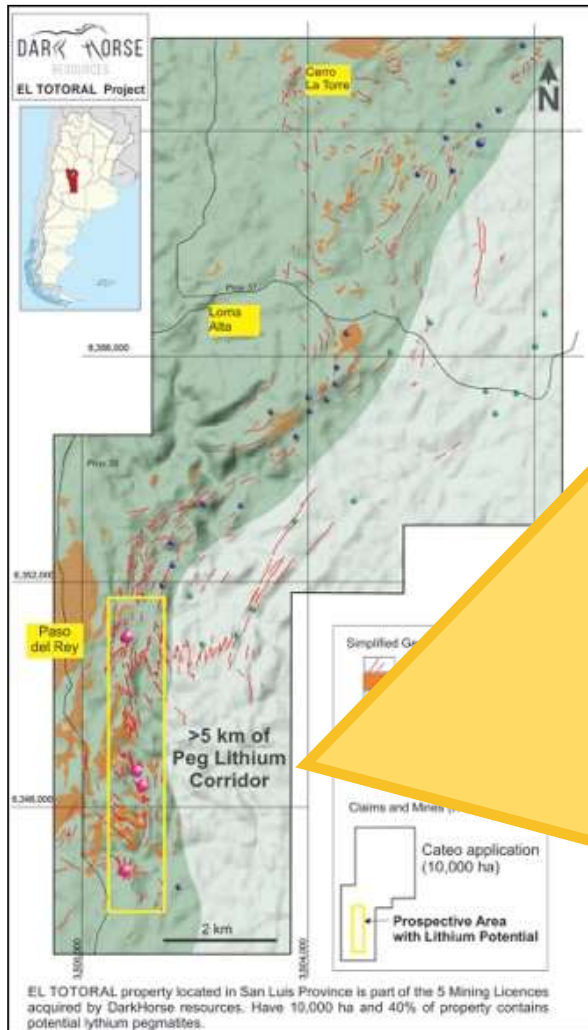


FIGURE - PEGMATITE BODIES EXIST AS MASSIVE, EXTENSIVE SWARMS, 5KM LENGTH & 2KM WIDTH. HIGH NATURAL ROCK GRADES OF LITHIUM OXIDE ( $\text{Li}_2\text{O}$ ).

# OPPORTUNITY OVERVIEW

**1** Four immensely prospective projects underway, with significant assay results.

**2** Qualified, responsible experts in the exploration for minerals in Argentina.

**3** We know exploration and value creation - our track record is impeccable.

**4** Generously undervalued wealth building opportunity for investors and partners.



**DARKHORSERESOURCES.COM.AU**



**@ASX\_DHR**

**DAVID MASON**

Managing Director

[dmason@darkhorseresources.com.au](mailto:dmason@darkhorseresources.com.au)

**KARL SCHLOBOHM**

Company Secretary

[kschlobohm@darkhorseresources.com.au](mailto:kschlobohm@darkhorseresources.com.au)

**DARK HORSE RESOURCES**

Level 27, 111 Eagle Street Brisbane

(+617) 3303 0650

**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 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.

# Prospectus

## Corporate Directory

Directors and Company Secretary	Solicitors to the Offer
Mr David Mason ( <b>Managing Director and Chief Executive Officer</b> ) Mr Nicholas Mather ( <b>Non-Executive Chairman</b> ) Mr Jason Beckton ( <b>Non-Executive Director</b> ) Mr Brian Moller ( <b>Non-Executive Director</b> ) Mr Karl Schlobohm ( <b>Company Secretary</b> )	HopgoodGanim Lawyers Level 8, Waterfront Place 1 Eagle Street Brisbane Qld 4000 Tel: +61 7 3024 0000 <a href="http://www.hopgoodganim.com.au">www.hopgoodganim.com.au</a>
Administration and Registered Office	Share Registry
Dark Horse Resources Limited Level 27 111 Eagle Street Brisbane Qld 4000 Tel: +61 7 3303 0650 <a href="http://www.darkhorseresources.com.au">www.darkhorseresources.com.au</a>	Link Market Services Limited Level 21 10 Eagle Street Brisbane Qld 4000 Tel: 1300 554 474 <a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>





# Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Shortfall Application Form relates are Dark Horse Resources Limited Shares. Further details about the shares are contained in the Prospectus 1 August 2019 issued by Dark Horse Resources Limited.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Shortfall Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the shares. You should read the Prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Dark Horse Resources Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from Dark Horse Resources Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares will be issued to Dark Horse Resources Limited's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount should agree with the amount shown in section B.
- Make your cheque or bank draft payable to "Dark Horse Resources" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

## LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (AEST) on 26 August 2019 at:

Dark Horse Resources Limited Shortfall Offer  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

Dark Horse Resources Limited Shortfall Offer  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138  
**(do not use this address for mailing purposes)**

## PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

## CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
<b>Individual</b> Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
<b>Company</b> Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
<b>Joint Holdings</b> Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
<b>Trusts</b> Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
<b>Deceased Estates</b> Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
<b>Minor (a person under the age of 18 years)</b> Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
<b>Partnerships</b> Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
<b>Long Names</b>	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
<b>Clubs/Unincorporated Bodies/Business Names</b> Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
<b>Superannuation Funds</b> Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.