



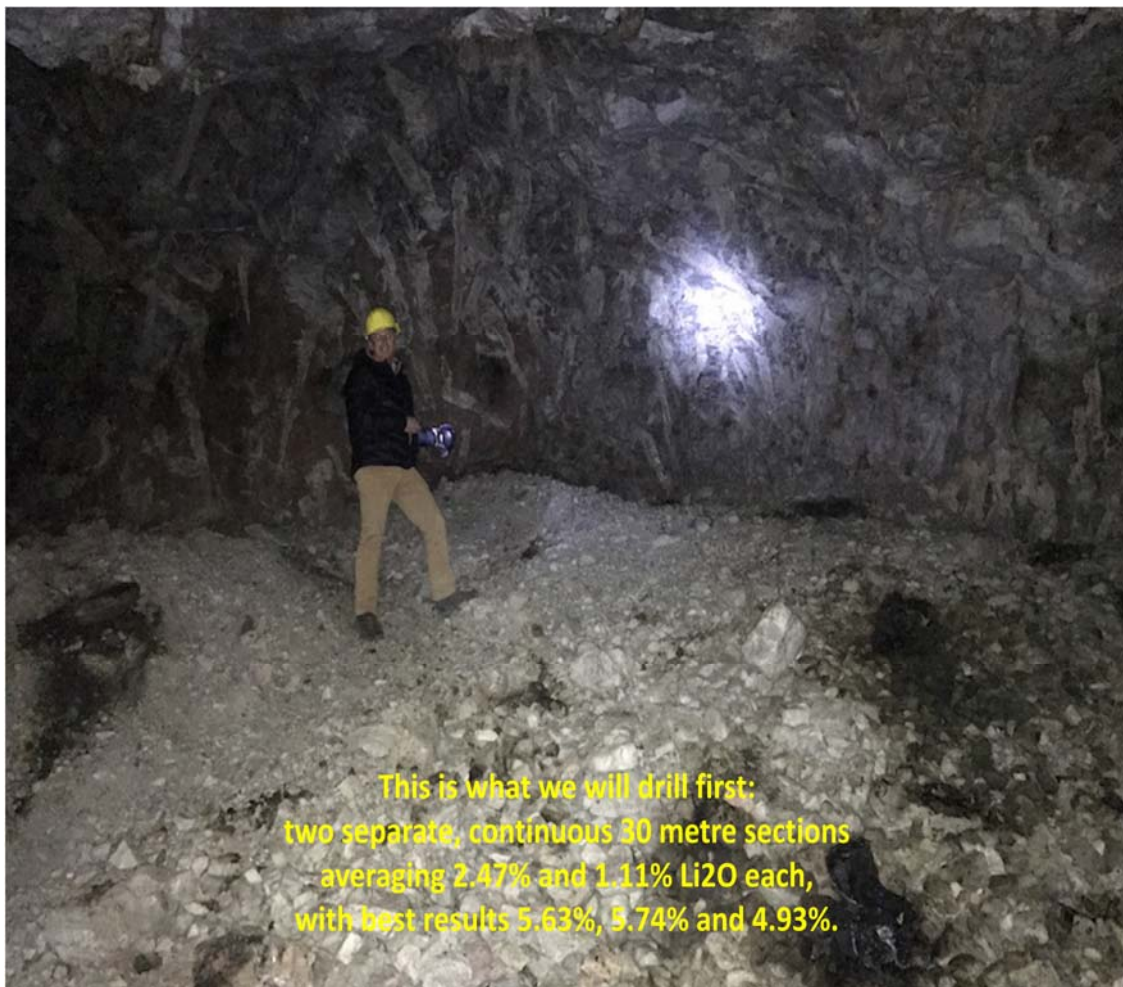
ASX Announcement

16 May 2018

Las Tapias Drilling Permit Granted and Drilling to Commence

Dark Horse Resources Limited (ASX:DHR; "DHR", "Dark Horse" or "Company") is pleased to provide the following update related to its lithium projects in Argentina (refer **Figure 1**). Highlights include:

- **Drilling Permit granted for Las Tapias lithium Mine by Cordoba Mines Department.**
- **Drilling Contract executed for initial 3,000m, twenty-four (24) hole program at Las Tapias, with the first hole scheduled to commence before the end of May 2018.**
- **Initial drillholes will be targeted to intersect the spodumene-rich zone observable in the old underground mining caves (photo below), in order to determine true width and extent of the zone.**
- **Drilling program expected to take between 2 and 3 months, can be extended if necessary.**
- **Reconnaissance exploration continuing within the San Luis lithium project portfolio.**





Dark Horse Managing Director David Mason said: ***"The Company is pleased to have obtained the approval from the Cordoba Mining Department to commence the drilling program at the Las Tapias Mine on schedule. The first drill holes will target the lithium-rich, massive spodumene zones of the large Las Tapias pegmatite, with the drill core expected to mirror the high Li₂O values obtained in the underground cave sampling. This rich zone will be followed along-strike and down-dip to define its volume and grade, moving the project towards a maiden JORC-compliant Resource Estimate."***

Las Tapias Mine

The environmental permit to allow drilling at the Las Tapias Mine has been obtained from the Cordoba Mines Department, under authorisation from the Cordoba Mining Secretary, Dr Aldo Bonalumi (**Photograph 1** at end of report).

Dark Horse had been expecting this outcome for several weeks, which has enabled the Company to commence logistical preparation of the drilling sites. As the majority of drill sites are in the area of the existing quarry, vehicle access and drill pad preparation has been quite simple and straightforward - particularly aided by the Andino family - who have worked the quarry over the past several decades for mica production.

A drilling contract has been executed with Energold Argentina SA, a major American drilling company with significant exposure and experience in Argentina.

The contract is for a minimum of 3,000m of HQ and NQ core to a maximum hole depth of 150m using an EDC407 diamond core rig (**Photograph 2**). Twenty-four (24) holes have been planned for this initial program. A drillhole location map is included below (**Figure 2**).

The first drill holes have been sited to intersect the lithium-rich, massive spodumene zones evident in the old underground caves, where two separate, continuous 30-metre sections were previously sampled and analysed, with results which averaged 2.47% and 1.11% Li₂O each, as previously reported on 7 December 2017 (**Photograph** on first page).

The best 2m interval results from these sections were 5.63%, 5.74% and 4.93% Li₂O, as previously reported on 7 December 2017. This rich zone will be chased along-strike and down-dip to determine its true extent and grade, and once sufficient data is obtained, a maiden JORC-compliant Resource Estimate will be prepared.

The drilling program may be extended beyond the 3,000m as required, to generate sufficient data to meet the JORC requirements for the estimation of a Maiden Resource. The complete data set available was evaluated within a three-dimensional GIS environment (Geographic Information System) to assist in drill hole siting and orientation.

In addition to drilling the massive spodumene zones and targets across the main Las Tapias pegmatite, a series of holes have been directed on numerous other pegmatites that were discovered through detailed geological mapping (refer **Figure 2** below). Some of these pegmatites returned high lithium (from spodumene) and/or tantalum (from tantalite) values.



Dark Horse's Country Manager, Marcelo Sanchez, is managing government and community relations and the Exploration Manager, Gustavo Fernandez is supervising the drilling program, with support from new Dark Horse Director Jason Beckton. **The program is expected to take between 2 and 3 months** and may be extended dependent on drilling results to meet the Company's objectives.

The Las Tapias Mine is a significant lithium project for the Company. Argentine company Pampa Lito SA holds an agreement to acquire the Las Tapis Mine from the current family owners. Pampa Lito is currently owned 25% by Dark Horse, with Dark Horse holding the right to 100% ownership based on the milestones and equity payments previously reported in July 2016.

San Luis Lithium Projects

Reconnaissance geological fieldwork has been focused on the San Martin Exploration Licence over the past month (refer **Figure 3** below). East-west sections have been defined over the lease area at intervals of between 500 and 1,000 metres and mapped & sampled to identify lithium-bearing minerals and other important mineral assemblages.

A total of 33 samples were taken and sent to the ALS Mendoza laboratory for preparation and assaying, including blanks and standards to meet normal international testing requirements.

Permits to support detailed geological exploration, for the suite of the Company's San Luis granted tenement portfolio (El Totoral, San Martin, Novillo Negro and Leon Herido as shown in **Figure 3** below) remain pending with the San Luis Mining Department.

Dark Horse represented at RIU Sydney Resources Roundup and Latin America Downunder Perth

Managing Director David Mason together with Dark Horse Energy MD Boyd White, attended the RIU Sydney Resources Roundup in early May 2018 and will attend Latin America Down Under in Perth in mid-May, together with Director Jason Beckton and Country Manager Marcelo Sanchez also in attendance.

A prime objective of the Company is to secure a strategic partner to support and fund the work programs through resource definition, feasibility, and mine, infrastructure and processing development.

Groups being targeted are international lithium product, battery, EV and electronic manufacturing companies.

Future Project work and News Flow Schedule

Dark Horse will continue to update the market on the Company's lithium and gold exploration progress and results, with the following work to be addressed in subsequent ASX market releases:

- Las Tapias Mine drilling progress and results. Drill core photographs and lithological descriptions will be initially reported, followed by assay results and later, geological resource evaluations.
- Exploration and assay results from the Los Domos Gold project lag and trenching programs.
- Reconnaissance mapping and assay results from the PROAR mineral prospects.
- Reconnaissance geological work and assay results from the San Luis portfolio of lithium project licenses.
- New project deals.

DARK HORSE

RESOURCES

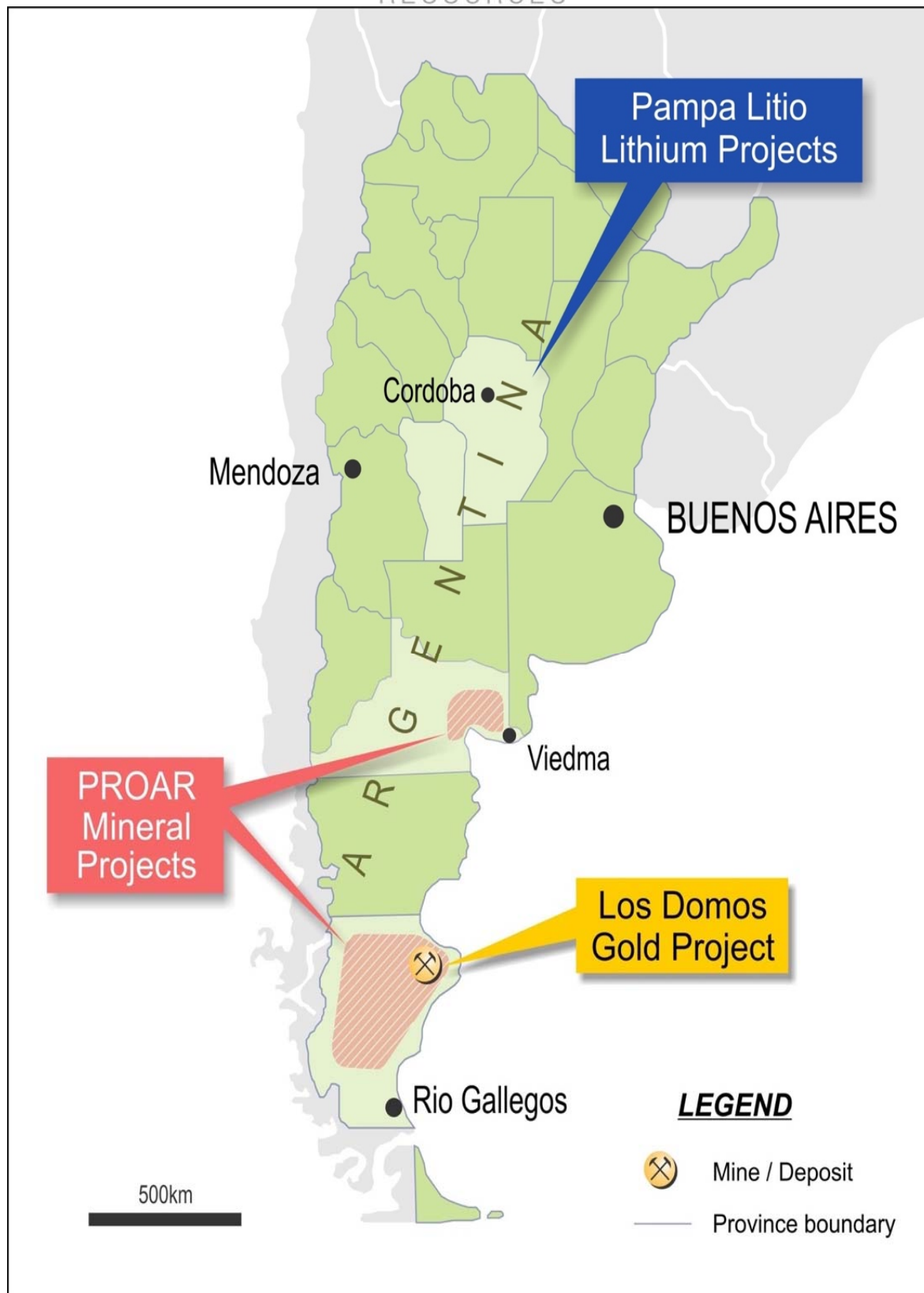


Figure 1: Location Map of Dark Horse's Argentinean Projects

DARK HORSE RESOURCES

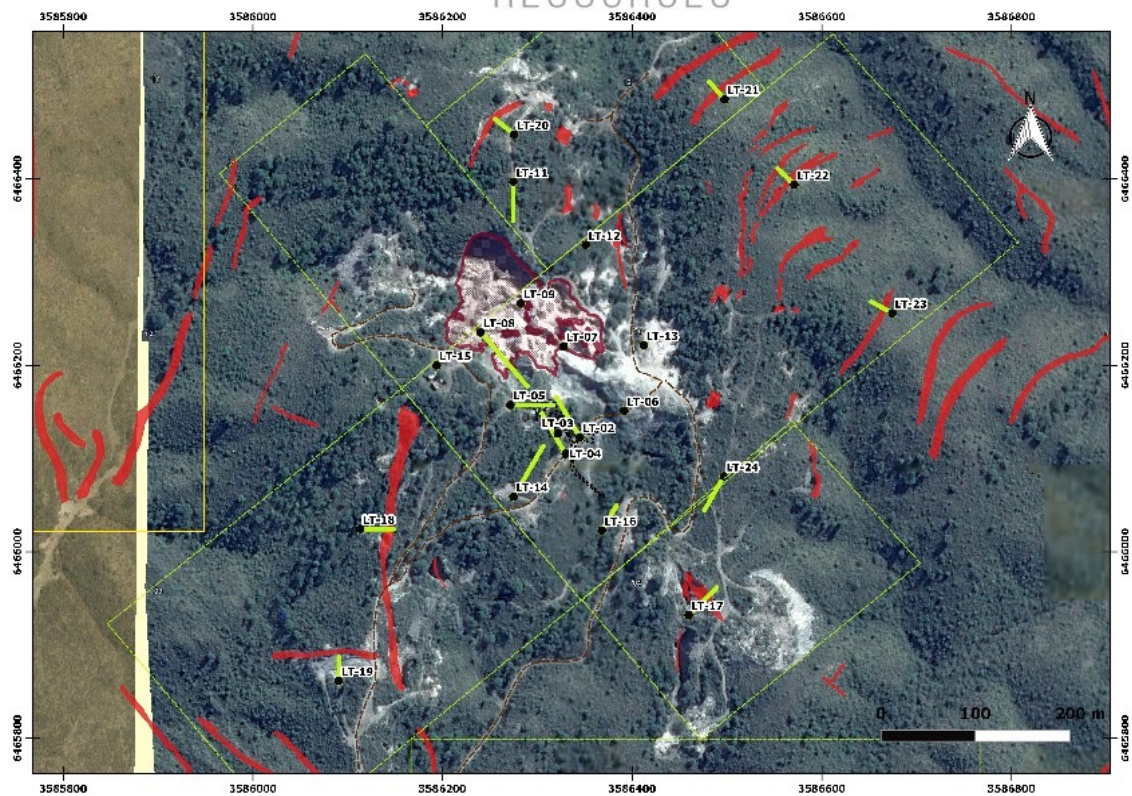


Figure 2: Las Tapias Mine drillhole location map.



Figure 3: Location of Dark Horse San Luis and Cordoba leases.



Photograph 1: Cordoba Mining Secretary Dr Aldo Bonalumi (left) with Marcelo Sanchez, Dark Horse Argentine Country Manager (right) discussing Dark Horse's Lithium development plans.



Photograph 2: The Energold Argentina SA diamond core drilling rig to be used at Las Tapias.



On behalf of the Board

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Competent Persons Statement

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

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

About Dark Horse Resources

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

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

Dark Horse also has a power generation subsidiary, Dark Horse Energy and a substantial holding (33%) in Australian-based and ASX-listed oil and gas exploration company Lakes Oil NL (ASX:LKO).