



18 October 2019

ASX Announcement

Corporate and Project Update

The Board of Directors of Dark Horse Resources Limited (Dark Horse, the Company ASX:DHR) is pleased to provide the following update as activities continue across its portfolio of projects in Argentina.

Objectives and Strategy

The Company continues to explore its current suite of Gold and Lithium projects and to review new project opportunities, which may build further relevant value. Dark Horse's primary objectives are to:

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

The Board is confident that it will be successful in the short to medium term in defining Company making projects, to which it will add value through further exploration and resource definition. Commercialisation options will be reviewed on a case by case basis upon maiden resource definition.

Dark Horse's current major projects and investments include:

- Las Opeñas Gold, San Juan province;
- Cachi Gold, Santa Cruz province;
- San Jorge Lithium Brine, Catamarca province;
- Central Argentine Spodumene Lithium, San Luis province;
- Lakes Oil NL, Australia.

Corporate

- The Company completed a Rights Issue 9 September 2019 raising \$807,178. In addition, the Company has to date secured an initial \$267,697 under the Shortfall arising from the Offer.
- **The Company has approximately \$775,000 remaining as a combination of the Shortfall and an Overallotment facility to fill** under the same terms as the Rights Issue, which **closes on 9 December 2019**. Dark Horse is actively pursuing investors to fill the Shortfall and Overallotment, the terms of which are the same as the Rights Issue: one (1) fully paid ordinary share at an Issue Price of \$0.004, together with one (1) First Attaching Option to acquire one (1) fully paid ordinary Share at an exercise price of \$0.005 on or before 30 November 2019. (Any New Shares subscribed after this date will not be eligible for the Attaching Options). Every two (2) Attaching Options will, upon exercise, entitle the holder to one (1) second Additional Option having an exercise price of \$0.012 and an expiry date of 31 May 2021.
- Additionally, in due course and when permitted, **the Company may consider the realisation of a small portion of its large 30.4% stake in Lakes Oil NL** to supplement any shortfall in the capital raising plans, and for any increased capital requirements of the suite of mineral projects.
- Funds from capital raised by the Company have been allocated for advancing each of the mineral resource projects in Argentina, with an immediate focus on the gold properties (refer **Figure 1**).
- Company continues to minimise its corporate overhead and fixed costs through the practice of Directors and management converting fees to stock, maintaining a small corporate office presence in Australia and Argentina, and an efficient, small permanent workforce in the field in Argentina.



Figure 1: Location of Dark Horse Resources Projects

Las Opeñas Gold Project

- The [Las Opeñas Gold](#) project is located in the north-western region of the mining friendly province of San Juan, Argentina.
- Las Opeñas is a highly Gold-Silver mineralised system showing a breccia in the south-west, and numerous epithermal gold vein zones in the centre and north, all aligned in local and regional structures (**Figure 2**).
- The Presagio vein breccia system has been mapped over a strike length of 3.7 kilometres and is an intricate vein set composed of multiple veins and vein breccias stacked over a corridor width up to 200 metres.
- Maximum grades assayed at Presagio are an impressive **54.2g/t Gold**, and **3,112g/t Silver** in representative rock chip samples (refer ASX releases of 26 July 2019 and 10 October 2019).
- Visible **Gold metal and Silver sulfosalts** have been discovered at Presagio West (refer ASX release of 26 September 2019).
- New vein breccia discoveries being made within the lease, are adding to the potential size of this project.
- Preliminary drilling in March-April 2019 confirmed mineralisation at depth with drillhole LORC-19-13 providing 1 metre at 4.8 g/t Gold, 349 g/t Silver from 23m, and LORC-19-11 providing 3 meters of 4.75 g/t Gold, 54.9 g/t Silver from 101m (refer ASX release of 27 May 2019).
- **The next phase of drilling will commence late 2019 - early 2020** following completion of the current surface geological exploration, which will move the project towards resource definition.
- Negotiations are underway for the finalisation of a drilling contract.

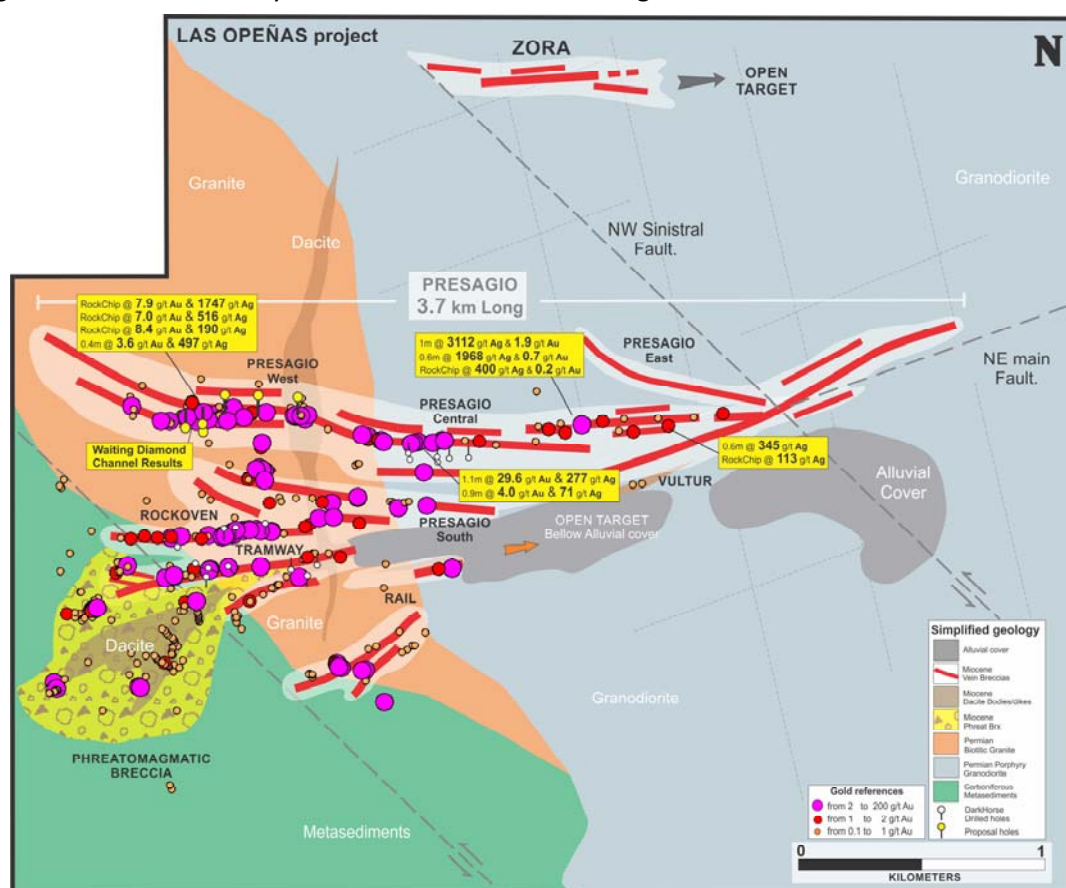


Figure 2: Las Opeñas vein breccia prospects and location of high Gold-Silver grade assays.

Cachi Gold Project

- The [Cachi Gold Project](#) is a 46,892ha lease package located in the central-western region of Santa Cruz Province, Argentina.
- The project is that of a **caldera complex** developed in the older volcanic rocks of the Chon Aike Formation, and is one of the last known mineralised systems to be tested in the prolifically mineralised Deseado Massif.
- The whole system is anomalous in Gold and Silver with individual results up to **9.7 g/t Gold**. Arsenic, antimony and molybdenum are all elevated, indicating that the system is fertile (refer ASX releases of 14 December 2018, 16 January 2019, 5 March 2019 and 30 July 2019) .
- Mapping, ground magnetics, Induced Polarisation (IP) and rock-chip sampling programs have recently been completed at the Cachi property.
- **Seventeen large mineralised targets** have been identified within the Cachi property, with the five main ones being Vetas Cachi, Morena, Vetas NW, Patricia and Puma (**Figure 3**).
- 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.
- Drill targets have been identified at Cachi to intersect the high-grade gold veins at near surface and the **drilling program is planned to commence in early 2020**.
- Detailed surface exploration continues in several other Dark Horse leases in the Santa Cruz province with Rosita Norte particularly showing a high prospectivity for epithermal Gold-Silver mineralization.

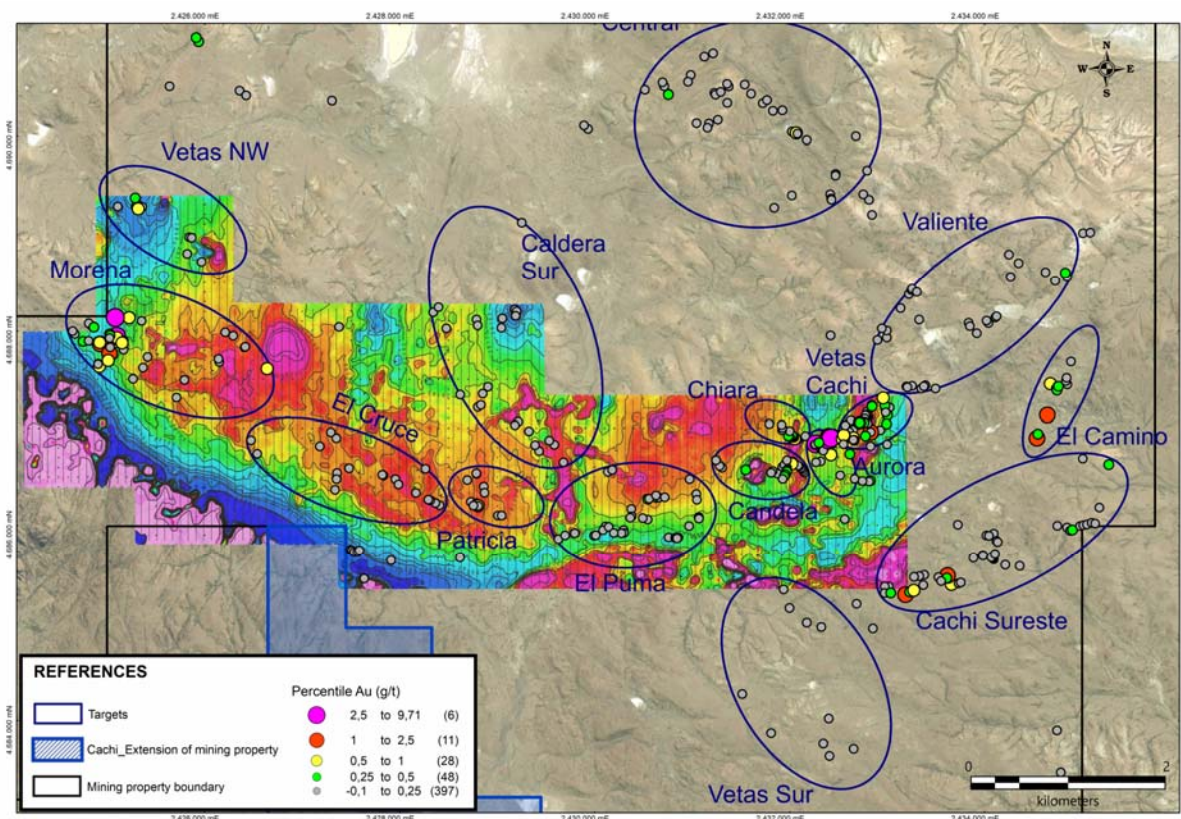


Figure 3. Detailed ground magnetics over the southern portion of the Cachi tenement showing the caldera boundary and some of DHR's numerous targets along the caldera boundary.



San Jorge Lithium Brine Project

- The [San Jorge Lithium Brine Project](#) is a group of **15 contiguous Exploration Licences totalling 36,600 hectares** over the San Francisco salt lake basin in the Catamarca province. It lies within the Lithium Triangle and is located between the well known Maricunga (Chile), 3 Quebrades, Anatofalla and Hombre Muerto salars.
- **The nucleus of the salar is 7,000 hectares** in area with elevated lithium concentrations. Detailed exploration has not been carried out at the San Jorge project.
- Due diligence on the San Jorge Project is nearing completion with deal conclusion expected late 2019. Two of fifteen licences remain outstanding for legal clearance.
- Design of the initial exploration program has been finalised, which will consist of shallow brine fluid sampling to test the near surface lithium content and geophysics to determine the basin size, depth, structure and potential brine zones.
- This work will commence following deal conclusion, and will provide data to allow the design of a sub-surface drilling program to test the lithium grades and hydrology at depth, and subsequently lithium resources.

Central Argentine Spodumene Lithium Project

- The [Central Argentine Lithium Spodumene Project](#) is an extensive portfolio of lithium spodumene projects in the province of San Luis, held through a shareholding in Pampa Litio SA.
- The most advanced is the **El Totoral lease** where DHR has discovered superior assay results of Li_2O from individual representative surface samples of **up to 2.3% Li_2O** (refer ASX release of 6 April 2017).
- The government situation in San Luis province has not changed over the past 24 months and the Company awaits the San Luis Mining Authority to issue permits for drilling.
- Because of these long delays, the Company has prudently decided to cease spending shareholders' funds on this project at this point. Dark Horse will remain at its current 25% equity in Pampa Litio SA, which holds all interests in the Central Argentina Lithium Projects. Under the Exploration Agreement with Option-to-Purchase with the vendors of Pampa Litio SA, the Company will not proceed to acquire further equity under the terms announced in ASX releases 26 July 2016 and 5 October 2016.

Project Generation

The Company is continuing to evaluate and consider suitable project opportunities that strengthen and/or compliment the Company's current projects, with a particular focus on Gold and Lithium projects in South America.

Lakes Oil NL

Dark Horse owns 30.4% of Lakes Oil NL which has a diversified portfolio of petroleum assets in Victoria, Queensland, South Australia and Papua New Guinea.

Lakes' immediate exploration focus is the **drilling of the Nangwarry gas well in PEL 155, Otway Basin, South Australia, which will commence in November/December 2019.**



On behalf of the Board
Mr Karl Schlobohm
Company Secretary

For further information contact:

Mr David Mason

Managing Director, Dark Horse Resources Ltd
Ph: 07 3303 0650

Karl Schlobohm

Company Secretary, Dark Horse Resources Ltd
Ph: 07 3303 0661

About Dark Horse Resources

Company website: <http://www.darkhorseresources.com.au>

Follow us on Twitter: [@ASX_DHR](https://twitter.com/ASX_DHR)

Dark Horse Resources Ltd is a publicly listed mineral resource company (ASX: DHR), with a particular focus on Argentina. It has invested in four gold and lithium projects, which include Cachi Gold Project, Las Opeñas Gold Project, San Jorge Lithium Brine Project and Central Argentina Lithium Spodumene Project.



Cachi Gold Project

A 46,892ha lease package in Santa Cruz Province. A prime geographical location e.g. Cerro Negro and Cerro Vanguardia with high value precious metal assays from surface exploration, and a detailed drilling program in planning for the summer of 2019/2020.

Las Opeñas Gold Project

Bordering the Indio Belt, where there are multi-million-ounce third-party gold deposits e.g. Veladero and Pascua Lama. DHR undertook first phase drilling in March-April 2019 confirming high grade mineralised zones. Recent surface sampling has further confirmed location of widespread high-grade zones.

San Jorge Lithium Brine Project (25% interest)

A group of 15 contiguous Exploration Licences totalling 36,600 hectares over the San Francisco salar and basin in Catamarca province. The nucleus of the salar is 7,000 hectares in an area with elevated lithium concentrations e.g. Hombre Muerto, Maricunga. Completion of this project acquisition deal is currently subject to the finalization of due diligence.



Central Argentina Lithium Spodumene Project

DHR discovered and on 5 March 2018 reported superior assay results of Li₂O from individual representative surface samples up to 2.3% Li₂O (commercially significant deposits are above 1%). A potential lithium spodumene province.

The primary objectives of these projects are to:

- Discover and define several multi-million ounce gold deposits.
- Define substantial lithium resources, mine spodumene and brine, and produce high grade lithium products for the domestic and international battery and electronic markets.

Dark Horse also has a power generation subsidiary, Dark Horse Energy and a substantial holding (circa 30%) in Australian-based and ASX-listed oil and gas exploration company Lakes Oil NL (ASX:LKO).

The Board believes that it will be successful in the short to medium term in defining Company making projects for which it will add value through further exploration and resource definition, with commercialisation options to be reviewed on a case by case basis upon maiden resource definition.

Competent Persons Statement

The information herein that relates to Exploration Targets and Exploration Results is based 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 fifteen years experience which is relevant to the style of mineralisation and types of deposits being reported and 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.