



## **ASX Announcement**

**19 February 2019**

### **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 corporate and project update as activities continue across its portfolio of projects in Argentina.

#### **Objectives and Strategy**

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

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

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.

Dark Horse's current major projects and investments, the status of which is outlined below, include:

- San Jorge Lithium Brine, Catamarca province;
- El Totoral Spodumene Lithium, San Luis province;
- Las Opeñas Gold, San Juan province;
- Cachi and Rosita Norte Gold, Santa Cruz province;
- Lakes Oil NL, Australia.

#### **Corporate**

- Funds on hand at end December 2018 were \$2.1m which is adequate to meet the Company's current planned exploration and investment programs including the Las Opeñas initial drilling, Cachi geophysics, Santa Cruz gold surface exploration and San Jorge initial surface sampling and geophysics.
- Non-Executive Director and minerals expert Jason Beckton has been retained as an advisor to directly supervise the Company's exploration programs, particularly the gold projects.
- The Company is considering a change of name to Andean International Limited to more accurately reflect its broader Argentinean focus.

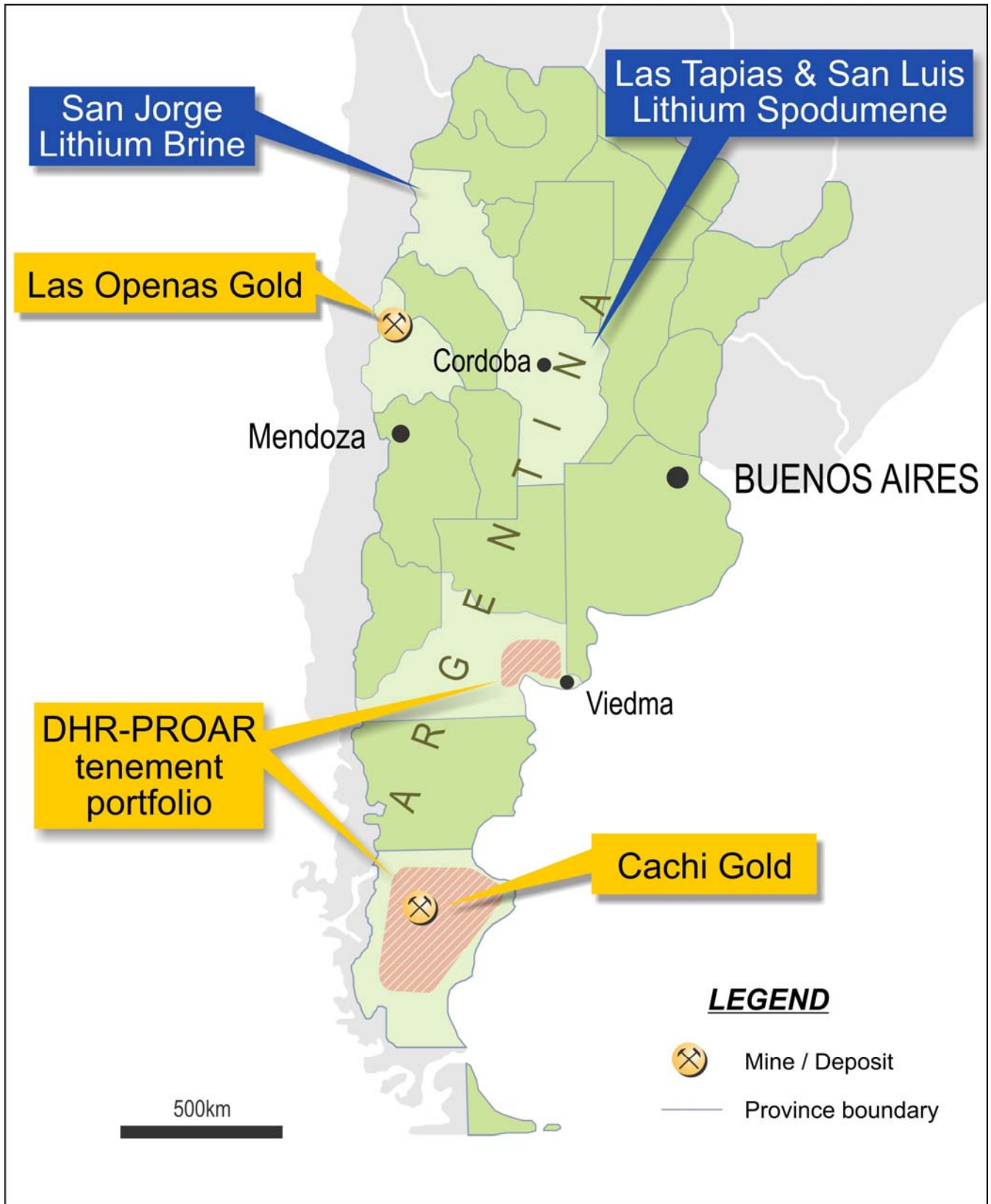


Figure 1: Location of the Dark Horse's Argentina mineral projects.

### **San Jorge Lithium Brine Project**

- Due diligence on San Jorge Project is nearing completion with deal conclusion expected during first quarter 2019. Two of fifteen licences remain outstanding for legal clearance.
- Dark Horse Managing Director David Mason visited the Catamarca project site in early February with Country Manager and brine expert Marcelo Sanchez to finalise design of the initial exploration program, which will consist of shallow brine fluid sampling to test the near surface lithium content and geophysics to determine the basin size, depth, structure and potential brine zones.
- This work will commence immediately following deal conclusion and will provide data to allow the design of a sub-surface drilling program to test the lithium grades and hydrology at depth, and subsequently lithium resources.

### **El Totoral Spodumene Lithium Project**

- The government situation in San Luis province has not changed and the Company awaits the San Luis Mining Authority to issue permits for drilling. Additionally, we understand the government is considering establishing an updated mining code as per other Argentine provinces. There are upcoming provincial government elections, which may slow the decision making for this project.
- Initial drill targets have been identified at the San Luis Mine pegmatite sequence within the El Totoral exploration lease, which shows abundant spodumene throughout.

### **Las Opeñas Gold Project**

- David Mason visited the project site in San Juan in early February with the experienced Argentine geological team to finalise design of the initial exploration program.
- Drilling program logistics are underway with the road complete up the mountain to the project site allowing the drilling rig access, and drill pads are under construction.
- Negotiations are underway in finalising a drilling contract.
- Initial program consists of 6 inclined reverse circulation drillholes to depths of 50 metres.
- Holes are targeted to intersect high grade gold and silver epithermal veins discovered during surface mapping and sampling by previous workers Teck and Genesis, who did not drill, but focussed their work on the adjacent breccia dome target.
- Additional drilling will be carried out depending on the results of these initial holes.
- Drilling is expected to commence in March 2019.
- Ongoing surface mapping has discovered additional veins at surface, which are being sampled for analysis.

### **Cachi and Rosita Norte Gold Projects**

- Detailed surface exploration continues in the Cachi and Rosita Norte tenements in the Santa Cruz province, which have both shown a high prospectivity for epithermal gold-silver mineralization.
- A ground magnetic geophysical program has been designed for Cachi and will be carried out over the next several months.
- Drill targets have been identified at Cachi to intersect the high-grade gold veins at near surface. The magnetic geophysics results will be combined with previous geophysical data to assist in planning for deeper drillholes.
- Environmental permitting has commenced for the Cachi drilling program, planned for spring 2019 (September).
- A number of the DHR-PROAR leases have been determined to be of very low prospectivity from exploration work carried out to date and the Company will relinquish them and focus activities on those leases which are showing high prospectivity.

### **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 lithium brine projects in northern Argentina.

### **Lakes Oil Investment**

Dark Horse participated in the current Lakes Oil (LKO:ASX) entitlement offer by subscribing to 500,000,000 shares at a price of 0.1 cents per share for a total investment of \$500,000. The Company believes this is a secure and prudent investment with minimal downside. Lakes will utilise part of the funding to drill and test the Nangwarry-1 Well, South Australia, considered highly prospective for gas.

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Dark Horse is aggressively continuing its lithium resources business in Argentina and a separate update will be provided to the market shortly.



On behalf of the Board  
Mr Karl Schlobohm  
**Company Secretary**

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#### **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:

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

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).

**Company website:** [www.darkhorseresources.com.au](http://www.darkhorseresources.com.au)

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