



2 December 2019

Dark Horse Resources Limited

ASX Announcement

Drilling Commences at Lakes Oil's Nangwarry-1 Exploration Well

The Board of Directors of Dark Horse Resources Limited (Dark Horse, the Company, ASX:DHR) note the market release today by Lakes Oil that drilling has commenced at the Nangwarry-1 exploration well in South Australia.

The Nangwarry-1 well is located within Lakes Oil's Petroleum Exploration Licence (PEL) 155 in the South Australian portion of the onshore Otway Basin, about 10 kilometres south of Katnook, and is a 50:50 joint venture between Otway Energy Pty Ltd (a subsidiary of Lakes Oil) and Vintage Energy Pty Ltd.

The Nangwarry-1 well is targeting two prospective gas reservoirs, the Pretty Hill Sandstone at around 2,993 meters measured depth (mMD) and the Sawpit Sandstone at around 4,094 mMD. It is anticipated that the drilling of the well will take approximately 45 days.

Dark Horse Chairman and Lakes Oil Director Mr Nick Mather said "Spudding of the Nangwarry-1 well is significant in terms of both the potential value to be realised by the PEL 155 joint venture, and as a demonstration of the potential of Lakes Oil's Victorian Otway tenements, which target formations analogous to those at Nangwarry."

Dark Horse Resources currently owns approximately 30% of Lakes Oil.

On behalf of the Board
Mr Karl Schlobohm
Company Secretary

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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.



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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

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 (25% interest)

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.