



ASX Announcement

29 September 2017

Argentinean Project Update

Dark Horse Resources Limited (ASX:DHR; "DHR", "Dark Horse" or "Company") is pleased to update the market on the Company's Argentinean projects.

Argentine Update

Dark Horse Resources Limited (ASX:DHR; "DHR", "Dark Horse" or "Company") is pleased to update the market on the status of the Company's project and business activities in Argentina, including:

1. Commencement of detailed exploration activities of the Pampa Litio Lithium properties in San Luis and Cordoba provinces.
2. Completion of due diligence on the extensive portfolio of Gold properties in the Santa Cruz and Rio Negro provinces and agreement with the vendor on the acquisition terms.
3. Notification to Trendix SA that Dark Horse wishes to terminate its involvement in the Pico Quemado coal project, so that the Company can focus on its Lithium and gold projects.

Pampa Litio Lithium Exploration

Dark Horse has commenced detailed exploration over its large Pampa Litio portfolio of mineral exploration ground under lease in Argentina. Pampa Litio holds four separate exploration licences in the San Luis province (Leon Herido, San Martin, Novillo Negro and El Totoral) totalling 34,000ha, and a group of 5 mining licences and one exploration licence over the Las Tapias Mine (300ha) in Cordoba province (refer Figures 1 and 2).



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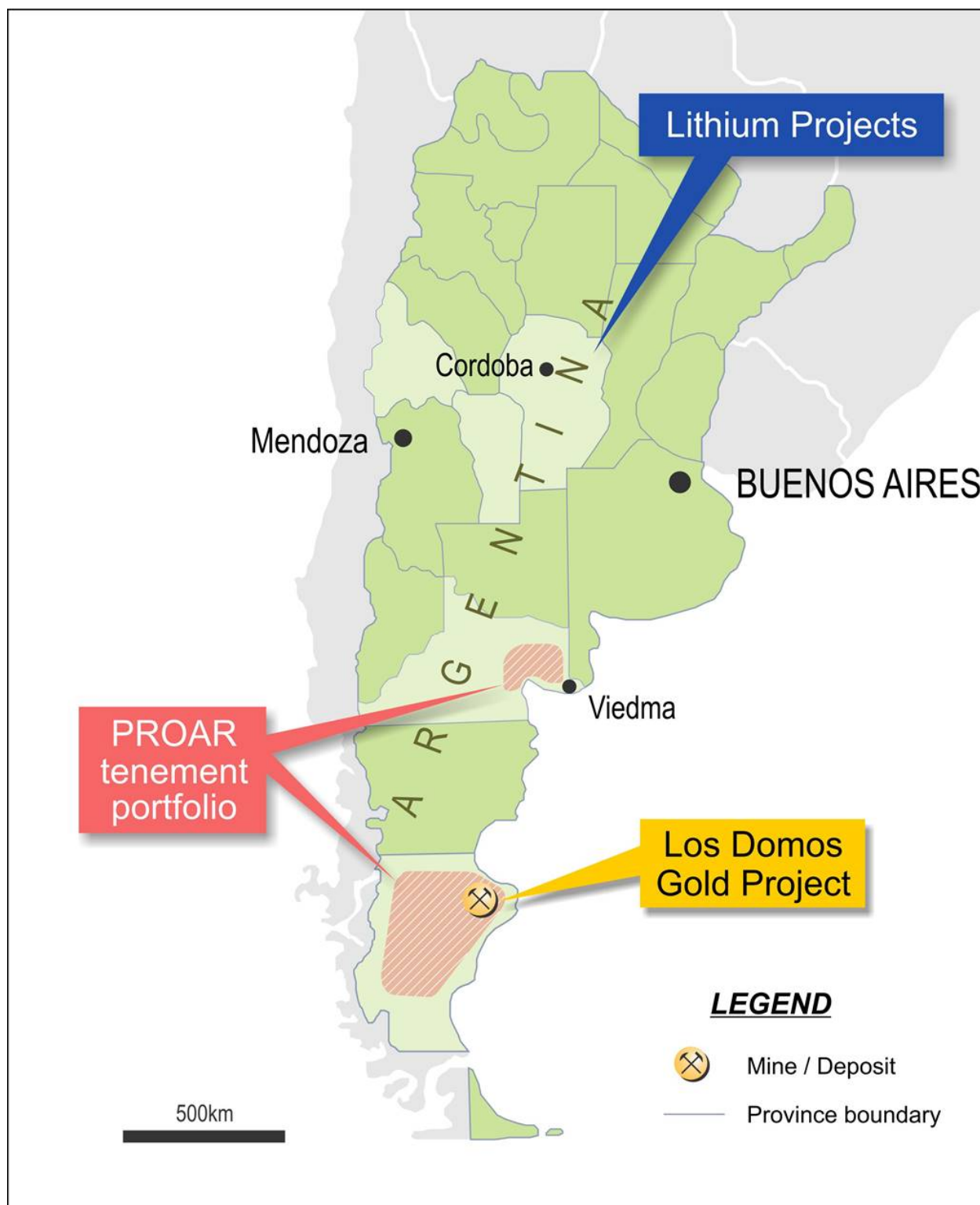


Figure 1 – Location of Dark Horse’s mineral projects in Argentina.



Figure 2 – The Pampa Litio suite of leases in San Luis province and Las Tapias in Córdoba province.

Over the course of the next 18-24 months, the Company intends to undertake sufficient exploration to facilitate the estimation of a mineral resource, and has designed the following program:

- Topographic Surveying;
- Systematic mapping and sampling of the widespread outcrops, quarries and underground workings;
- Representative rock chip sampling and assaying;
- Geophysics;
- Drilling programs will be designed to define the geometry, size and grades of the ore bodies;
- Comprehensive assaying of all drill core;
- Metallurgical testing;
- Mineral resource evaluation and estimation in compliance with the JORC Code;
- Preliminary mining feasibility.

Prior geological work by Pampa Litio has shown that the El Totoral pegmatite sequence and the Las Tapias Mine have significant Lithium potential and deserve early detailed exploration to determine their likelihood of meeting Dark Horse's aggressive objectives.

Therefore, a two-pronged, simultaneous exploration strategy is currently being implemented with:

1. Detailed Programs at both El Totoral and Las Tapias, and
2. Regional Program over the remaining suite of leases.

Detailed geological mapping has commenced at the Las Tapias Mine in Cordoba province. Dark Horse has engaged Carlos Gustavo Fernandez, an experienced, professional executive geologist to manage the program. Gustavo has deployed three senior geologists to Las Tapias, who are carrying out 1) initial GPS topographic surveying over the surface and underground mine workings to produce suitable quality maps, and 2) detailed geological lithographic and structural mapping.

Exploration will continue throughout 2017 with drill targets expected to be defined in early 2018 for drill commencement in the second quarter of 2018.



Photo 1: Geologists at the Las Tapias underground workings.



Photo 2: Geologists at the Las Tapias surface mine workings.



Photo 3: Surveyors utilising GPS technology to establish permanent survey stations to support topographic mapping over the Las Tapias Mine property.

PROAR Gold Properties

Following a comprehensive technical and legal due diligence of the PROAR portfolio of gold-prospective properties in Argentina, Dark Horse is pleased to announce that it has reached agreement with the vendor to acquire the complete suite of properties (**Figure 3**). Dark Horse will pay U\$5,000 in cash and issue A\$100,000 worth of DHR shares on execution of an Agreement, issue another 30 million shares in 12 months, and provide a 2% Net Smelter Royalty on any future product sold, to acquire 100% ownership of all the properties.

Carlos Gustavo Fernandez, principal geologist of UAKO Geological Services was engaged by Dark Horse to perform a geological prospectivity assessment of the set of properties located in Santa Cruz Province, Argentina (**Figure 4**).

The geological prospectivity assessment included:

- Compilation of a database within a GIS platform of all previous information from a range of different sources including UAKO archives, public information from Argentina's Geological Survey and public companies' news releases and presentations.
- A field visit was not carried out for this evaluation.
- The Dark Horse Los Domos Project was also included because one of the PROAR properties, Aguada Grande, lies on the northern border.

A Prospectivity Matrix was generated to indicate Target Prospectivity for each of the leases. A valorization matrix using Kilburn's modified valuation methodology, including closeness to infrastructure (energy, roads and services), stratigraphy, geophysics, alteration, geochemistry, structure and mineralization. The results of this work have assisted Dark Horse in prioritizing the potential of each project and in the formulation in designing exploration programs for the properties.

The PROAR properties are all located within the Deseado Massif, which covers a large region in Santa Cruz. The basement of the Deseado Massif consists of Cambrian metasedimentary rocks intruded by granitoids and tonalities. These are overlain by Permo-Triassic and Triassic continental sedimentary rocks. The Massif is dominated by extensive Jurassic volcanic and intrusive rocks, in which older andesitic and basaltic units are overlain by rhyolites, ignimbrites, and volcanoclastic rocks. Cretaceous lake beds overlain by Tertiary and Quaternary alkali basalts partly cover the Jurassic volcanic plateau. One of the most striking features of the Patagonian stratigraphy is that the Permian, Mesozoic, and Cenozoic volcanic-sedimentary sequence is roughly horizontal, disrupted primarily by north, northwest and northeast-trending extensional structures, but they have undergone only a moderate amount of compression. In general, the Jurassic rocks remain relatively undeformed and are flat to gently dipping, except locally where they are close to faults, volcanic domes or similar features.



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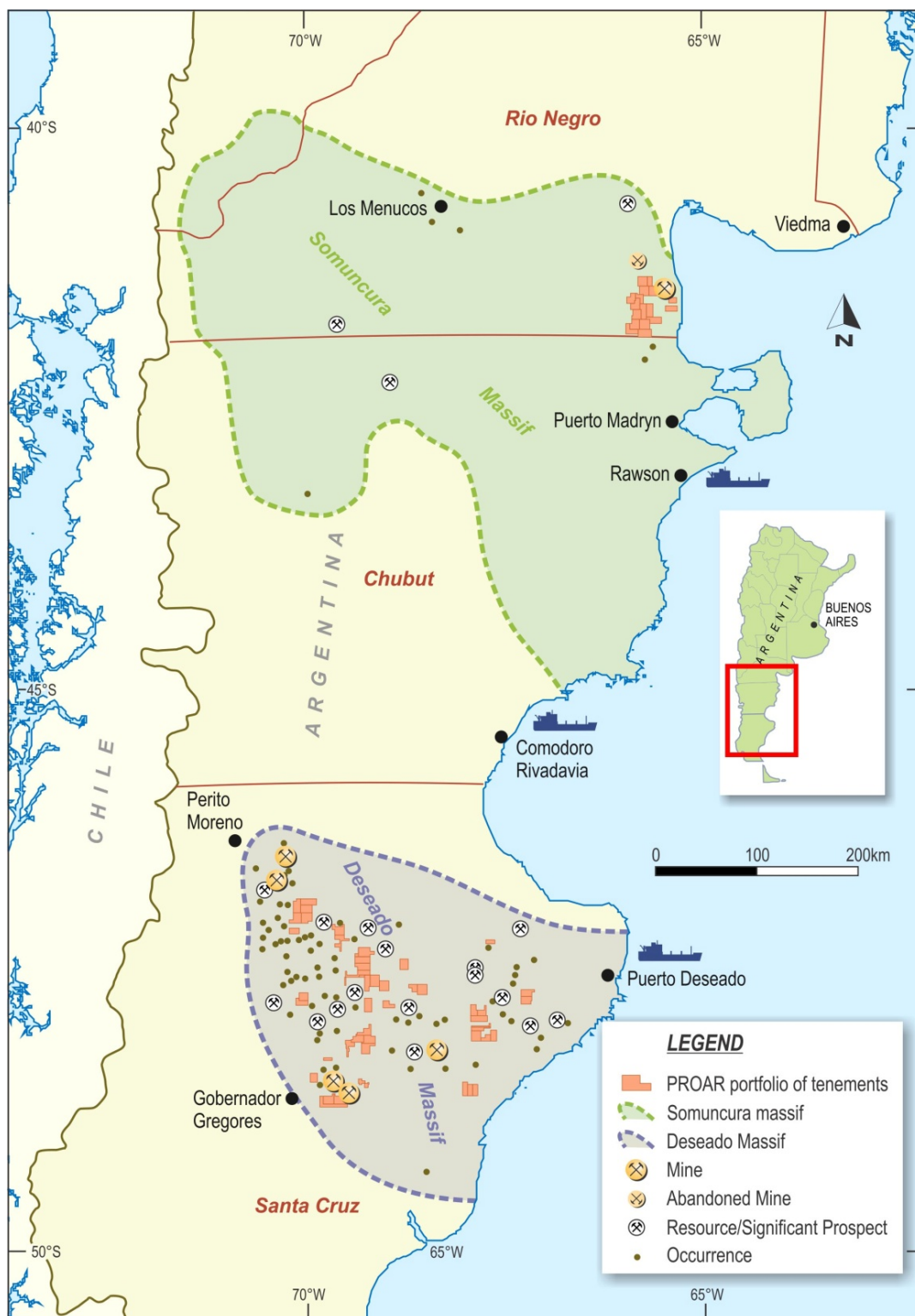


Figure 3: Location of the PROAR tenements within Argentina

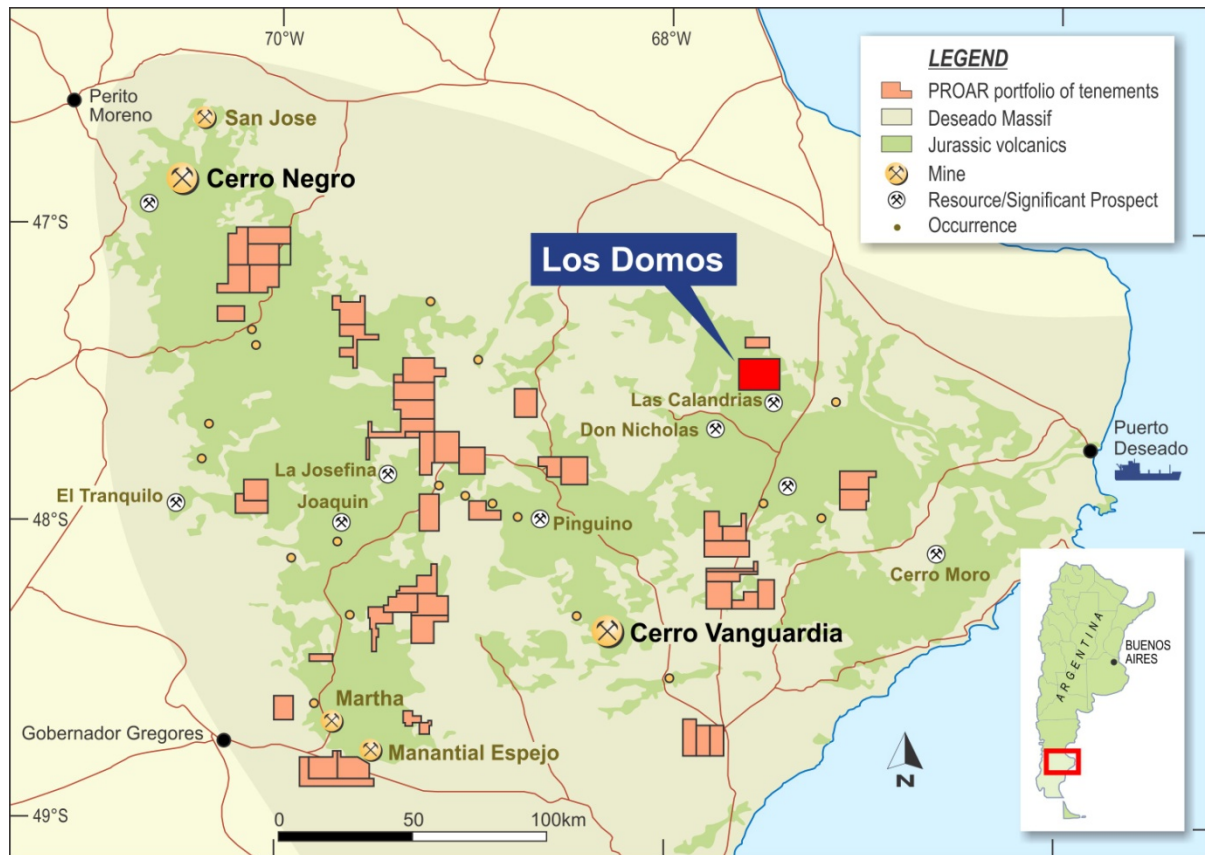


Figure 4: Location of PROAR tenements within the Santa Cruz Province

The Deseado Massif hosts numerous low-sulphidation, epithermal, precious-metal quartz vein and vein-breccia deposits that appear to have closely followed the Jurassic acid volcanism (see **Figure 5**). There are six operating mines in the area: Cerro Negro – Goldcorp; Cerro Vanguardia – AngloGold Ashanti; Minera Santa Cruz – Mauricio Hochschild/McEwen Mining; Manantial Espejo – Panamerican Silver; Mina Marta - Hunt Mining; and Martinetas – Minera Don Nicolas. There are several advanced projects under exploration, and Cerro Moro – Yamana Gold is under construction.

All of the PROAR projects are located on Jurassic volcanic rocks that belongs to the Choin Aike and Bajo Pobre formations, except for Cerro La Taba and Aguada Grande projects that are covered by Tertiary to Quaternary basalts. Choin Aike and Bajo Pobre formations host all the Low Sulphidation Precious Metals systems in the Deseado Massif.

All the PROAR projects are grass root to early exploration stage, and some of them are located near operating mines and advanced projects. This feature alone provides significant advantages from an exploration perspective, because vein or dome type mineralization can be discovered.

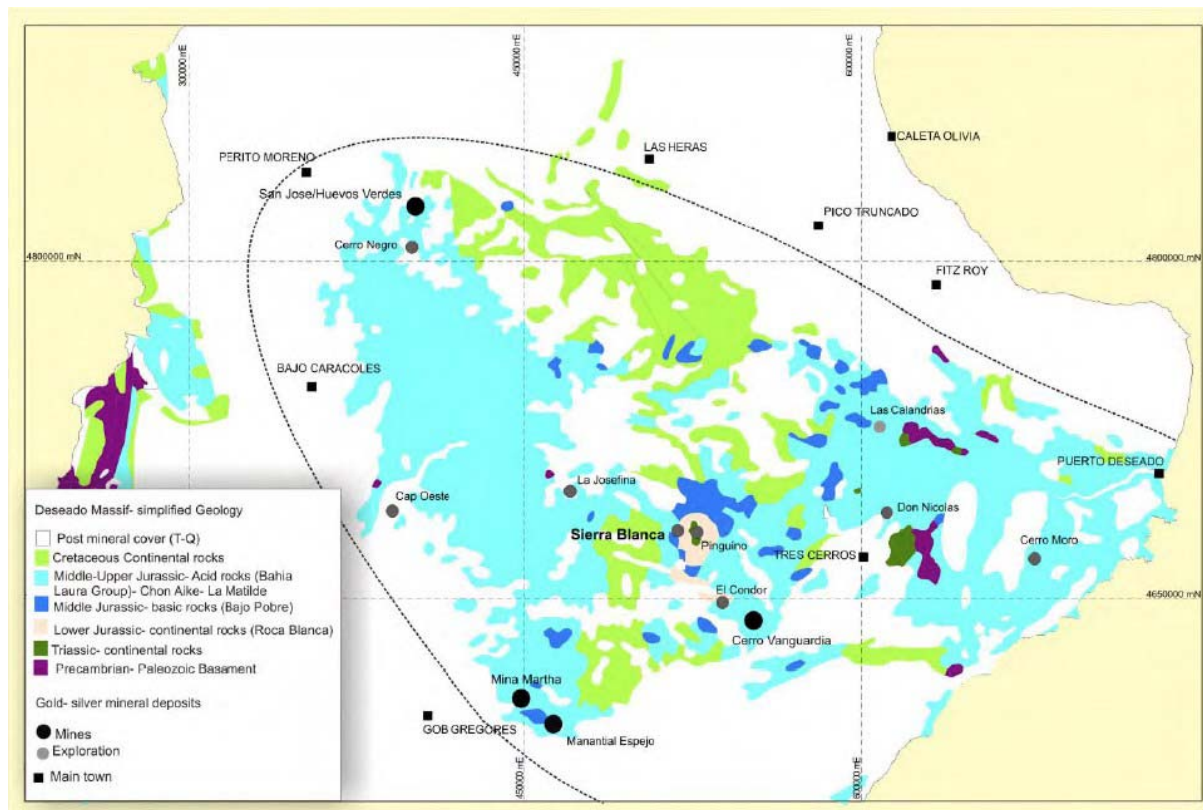


Figure 5: Regional geology of Santa Cruz and the major gold deposits and mines

Geological Prospectivity Assessment

The assessment commenced by overlaying the properties over a range of remote sensing platforms. The properties were plotted initially over a Landsat image combined with a simplified regional geology and structure map in order to understand the underlying host rocks (**Figures 6 and 7**).

The properties were then overlaid over regional magnetic field RTP* (reduce to pole) and Landsat# alteration processing, which highlight areas of hydrothermal alteration mineral assemblages (**Figures 8 and 9** - Figure information: *Magnetic lows are the blue color, and indicate destruction of magnetite, a typical feature of epithermal alteration; #Landsat yellow to red color corresponds to clays characteristic of hydrothermal alteration). A summary legend is provided as **Figure 11** below.

The projects were also plotted over the available regional geochemistry data (**Figure 10**).

Each property was then evaluated individually utilizing all the available existing geological information.

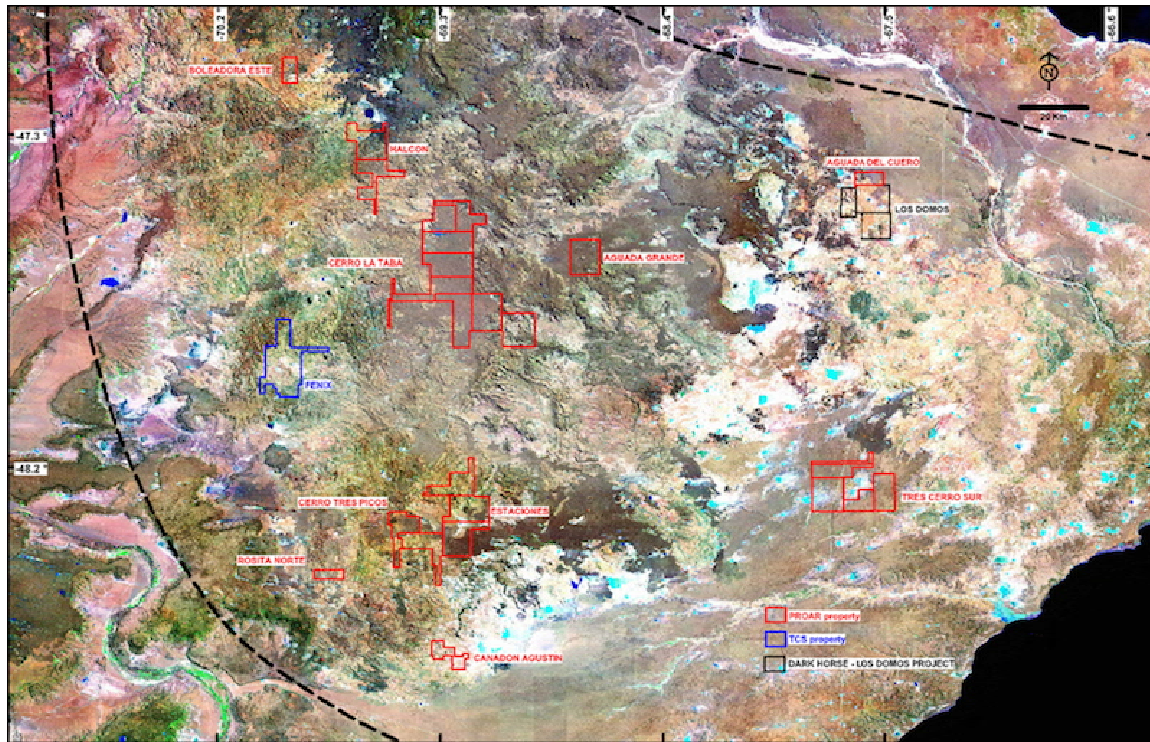


Figure 6 – Properties overlain on Landsat imagery

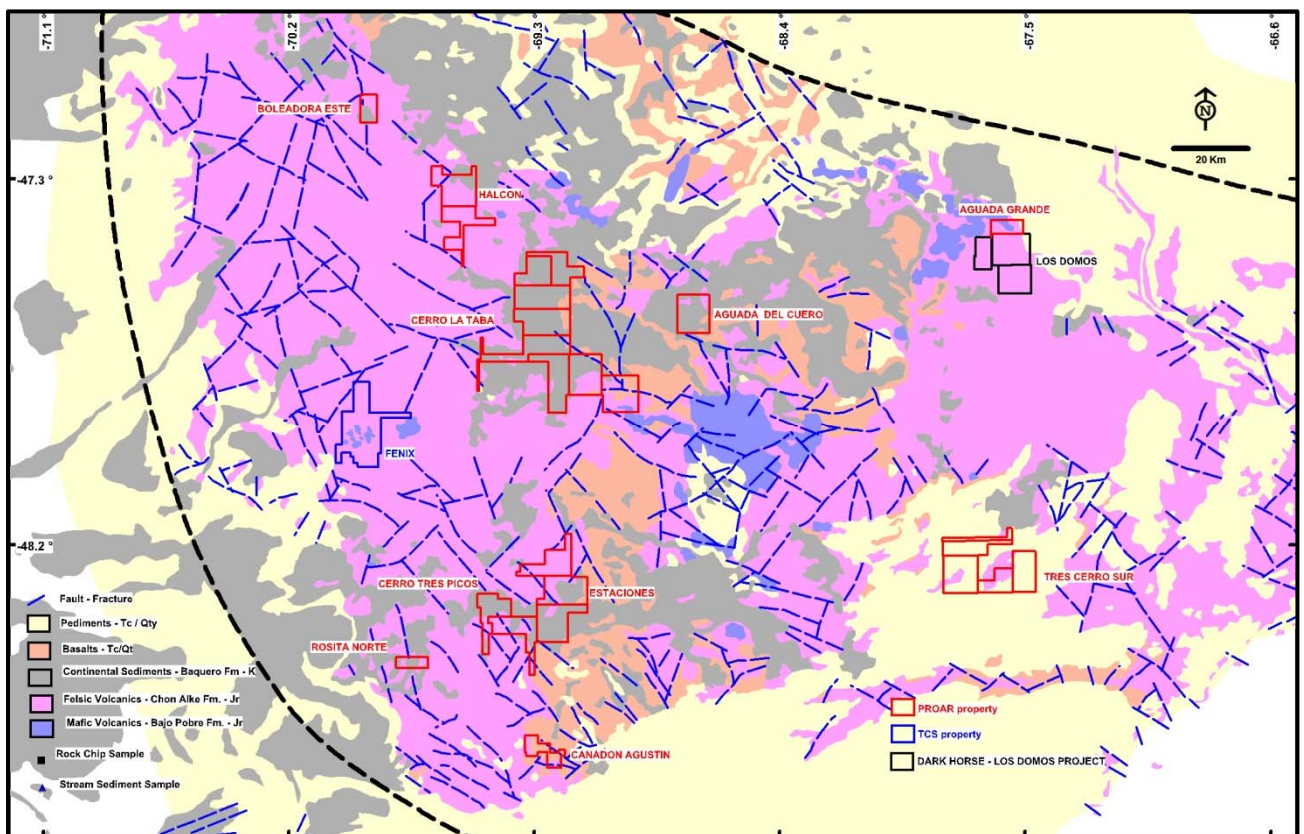


Figure 7 – Properties overlaying regional geology (lithology and structure)

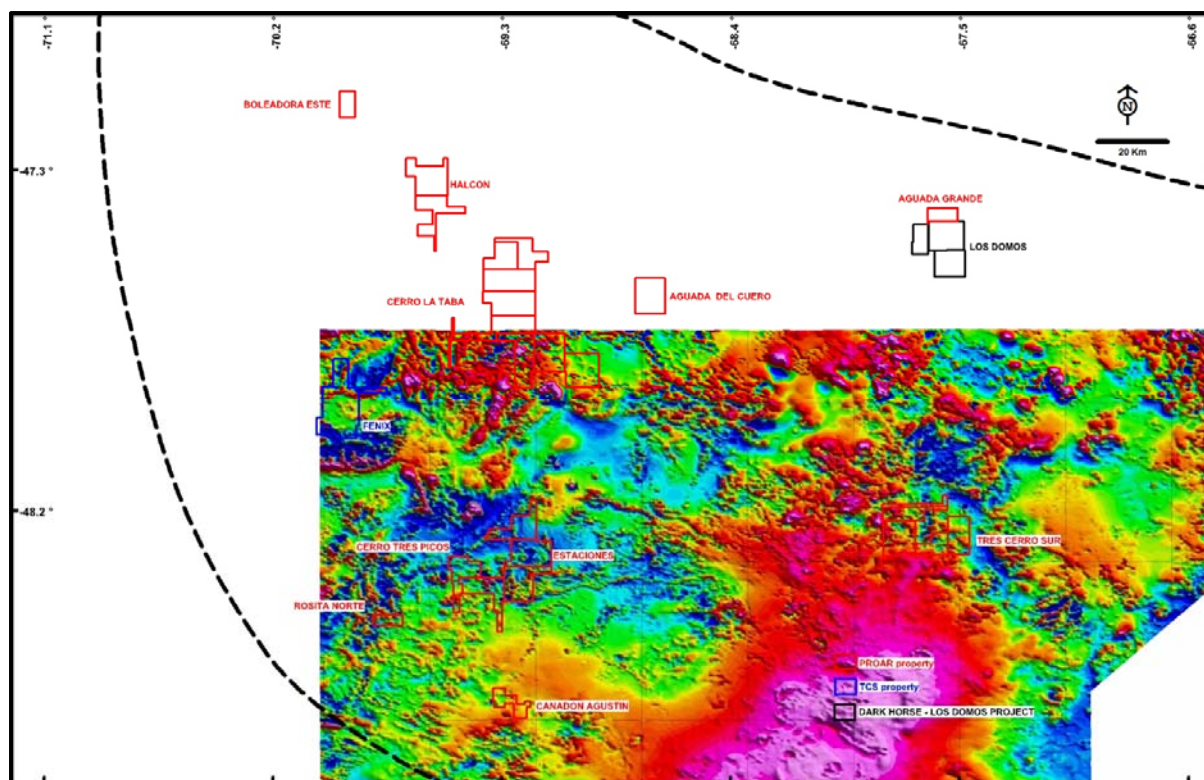


Figure 8 – Properties overlaying regional RTM magnetics (red high, light blue lows)

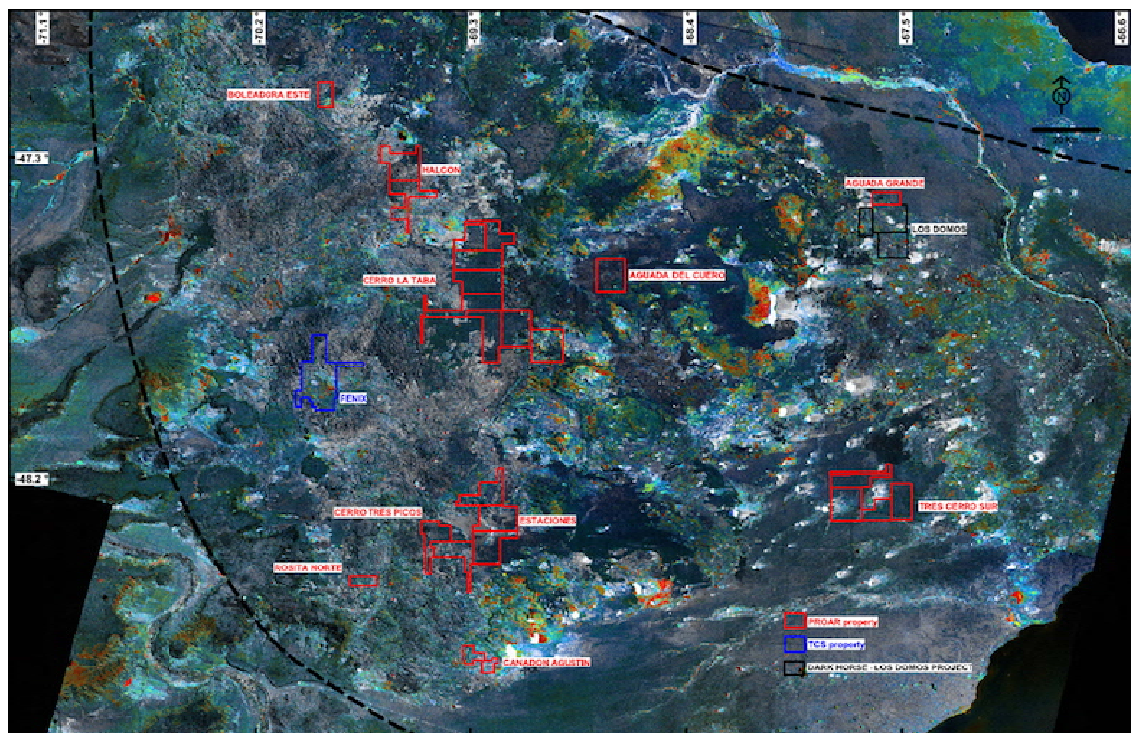


Figure 9 – Properties overlaying Hydrothermal Alteration Mineral Assemblage from Landsat image processing

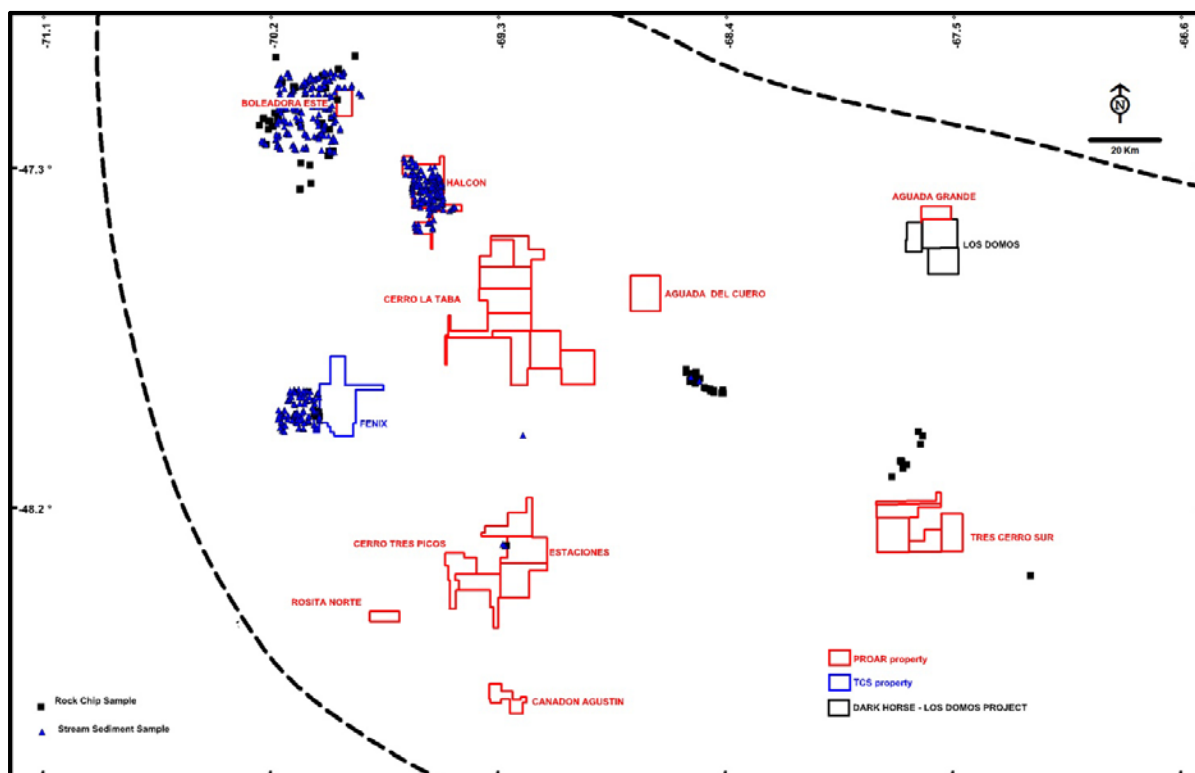


Figure 10 – Available geochemistry information over the properties

Figure 11 below is a summary legend for each of the above figures.

Conclusions

There are a number of properties which have indicated good prospectivity including Fenix, Aguada Grande (adjacent to Dark Horse's Los Domos Gold project), Halcon, Cerro La Taba, Aguada del Cuero and Tres Cerros Sur.

Dark Horse will design a comprehensive exploration program over the suite of PROAR properties, focusing initially on the most prospective, and implement this program in conjunction with the Company's exploration plans for Los Domos, which will commence early 2018.

Pico Quemado Coal

Dark horse has given notification to Trendix SA that the Company wishes to terminate its involvement in the Pico Quemado coal project. Dark Horse carried out substantial exploration and resource definition work at Pico Quemado, which failed to realise the Company's objectives to utilise the coal as a primary supply for its mine mouth HELE Pico Power Station. Subsequently, Dark Horse is divesting its interests in the Argentinean Power Project to New Energy Co (as previously announced) in order to focus its activities in the exploration and development of its mineral resource projects in Argentina.



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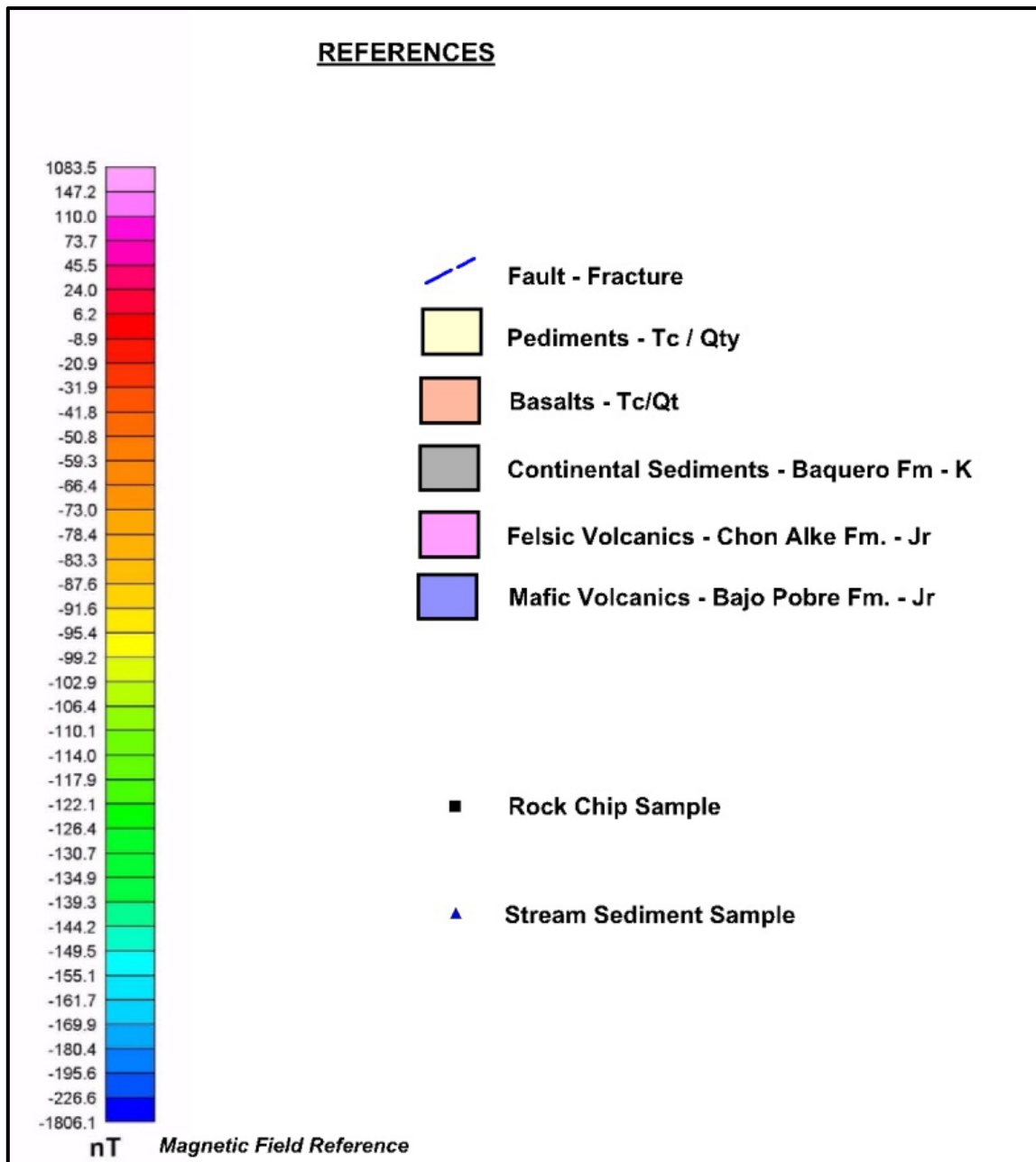


Figure 11 – Map legend

On behalf of the Board
Mr Karl Schlobohm
Company Secretary

DARK HORSE
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About Dark Horse Resources:

Since listing on the Australian Stock Exchange in 2011, Dark Horse Resources (formerly Navaho Gold) has evolved into a diversified exploration company primarily focussed on Argentina. The Company currently has gold, coal, lithium and energy projects in Argentina.

Argentina is undergoing significant political and social reforms, which has created a very attractive destination for mining and diverse project interests.



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