

22 November 2019

ASX Announcement

Cachi Gold Project Drilling Preparation

HIGHLIGHTS:

- A large trenching program was recently completed at several of the planned Cachi drill prospects. Important extensions of known vein systems were discovered, including the delineation of the Vetás Cachi prospect structural corridor, being 1,000m long and 150m wide. It is host to multiple veins, inter-vein stock-working and small oxidized breccias. Trench sample assay results will be available shortly.
- Surface sampling carried out at several Cachi prospects last month have returned excellent assay results. Of thirty two (32) samples tested, twenty four (24) returned anomalous Gold, with five (5) samples from Vetás Cachi prospect greater than 3 g/t Gold. The best sample was 17.8 g/t Gold.
- Camp accommodation for the duration of drilling program has been secured, which provides cost-effective, high quality facilities for the team, within 30 minutes drive of the main Cachi drilling targets.

The Board of Directors of Dark Horse Resources Limited (Dark Horse, the Company, ASX:DHR) is pleased to provide a summary of its activities in preparation for drilling the Cachi Gold Project. Drilling is currently scheduled to commence in early 2020. The Company is on track for the preparation of the drilling program and has reached various milestones in moving the Cachi project forward. This update outlines these milestones. Full Gold project drilling plans are summarized in ASX release of 15 November 2019.

Trenching Program Successful Completion

Trenching is required in some parts of the Cachi Project to expose extensions of the known mineralised veins in areas that are covered by volcanic ash, originating from recent volcanic activity along the Andes mountains to the west. Trenching reveals the fresh rock veins below the ash cover and allows representative sampling for assaying. This work allows better understanding of the geology and mineralisation and complements other field data to enhance the drilling program design.

A trenching program, utilising a mechanised backhoe, has been successfully completed at the Cachi Gold Project (**Image 1**). Trenching uncovered significant extensions to the overall lengths of the vein systems, which is showing potential for a significant mineral deposit (refer **Figure 2**). In particular, the Vetás Cachi target has exceptional promise.

Thirteen (13) trenches were dug over four (4) targets: 7 in Vetás Cachi, 1 in Puma, 3 in Morena and 2 in the recently discovered Sofia Target (refer prospect locations in **Figure 1**). The trenches confirmed the continuation of multiple parallel veins extending from observed surface structures under soil and ash cover. These results reveal a significant extension of the overall length of these vein systems. Of particular interest was the identification of both chalcedonic and saccharoidal quartz, sometimes banded with oxidation, which appear as different phases or pulses of mineralisation. The existence of chalcedonic quartz is an encouraging sign for epithermal precious metal resources.

At Vetás Cachi the trenching has identified a structural corridor, 1000m long and 150m wide, which is host to multiple veins, inter-vein stockworking and small oxidized breccias, occurring within a porphyritic rhyolite lava. The majority of the veins dip to the southeast. Immediately to the south of Vetás Cachi the Caldera Margin was intersected as a fault bringing lithic tuffs into contact with the rhyolite. The samples collected during the trenching program have been sent to the laboratory. Assay results will be reported once returned.



Image 1 – Trenching at Cachi Gold Project which has exposed the extension of known surface vein systems under soil and ash cover.

Excellent Surface Sample Assay Results

Surface samples were collected from four (4) drilling targets at Cachi Gold Project: Vetas Cachi, Vetas Sur, Morena and Vetas NW. Twenty four (24) samples returned anomalous Gold, with five (5) samples from Vetas Cachi prospect showing greater than 3 g/t Gold:

- 17.8 g/t Gold, 13.2 g/t Silver
- 9.5 g/t Gold, 4.6 g/t Silver
- 5.1 g/t Gold, 15.3 g/t Silver
- 4.4 g/t Gold, 89.3 g/t Silver
- 3.2 g/t Gold, 15.3 g/t Silver

A total of 32 surface samples were tested. Complete results are included in **Table 1**.

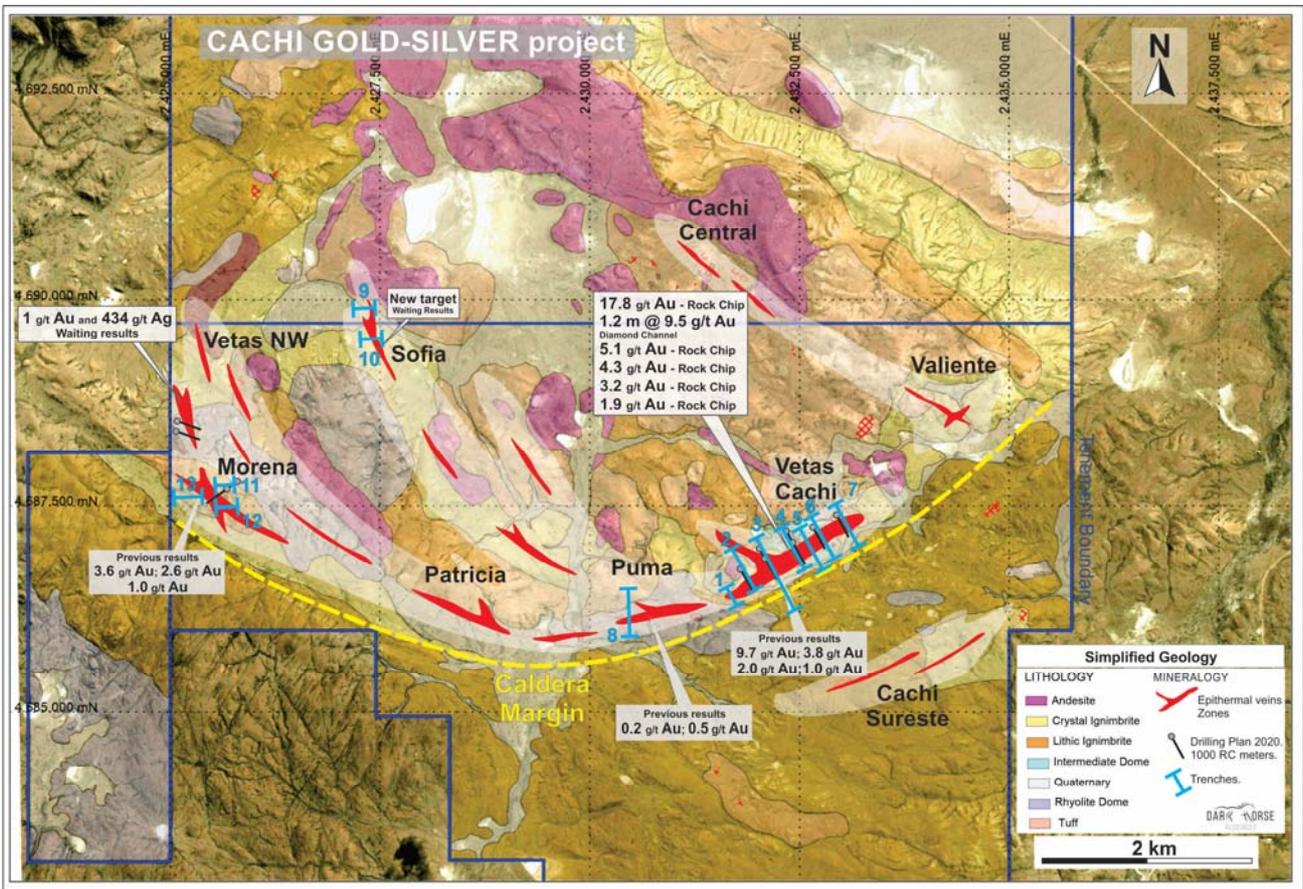


Figure 1 – Cachi Gold Project map of target (or prospect) locations, many along the caldera margin, and the location of recently completed trenches (as blue lines) and the significant Gold assay results. Planned drillhole locations of upcoming drilling program are also shown (as black lines).

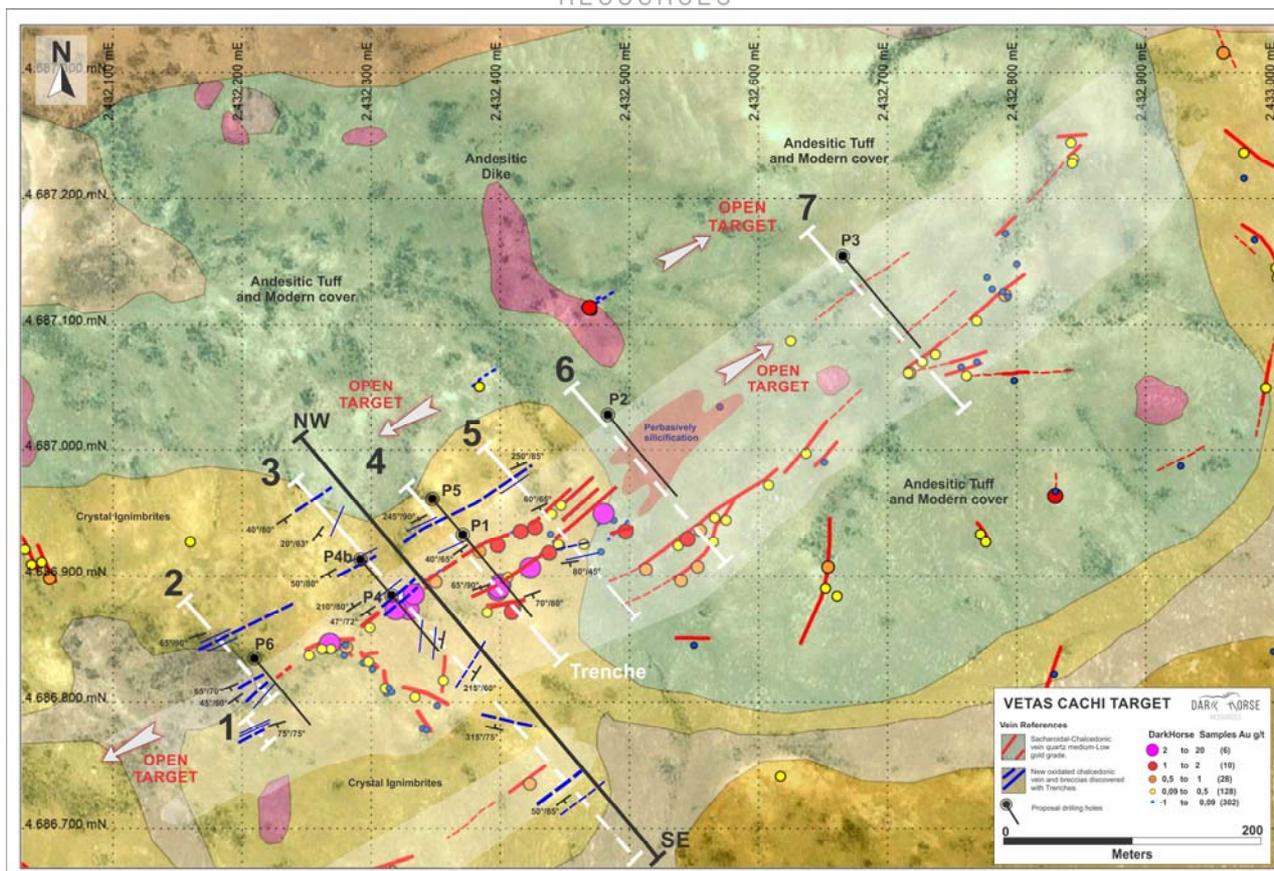


Figure 2 – New identified veins at Vetás Cachi target shown as blue broken lines (with the existing veins in red) discovered from the trenching program (trench lines in white). The planned DHR drilling target sites are shown in black.

Camp Accommodation for Drilling Team Secured

DHR has been fortunate in securing an agreement with Fomicruz, a Santa Cruz Provincial Government agency, for camp accommodation for the current exploration and upcoming drilling programs at Cachi Gold Project (Figure 3). The accommodation provides cost-effective, high quality facilities, for the complete drilling team, located within 30 minute’s drive of the main Cachi exploration targets.

Other Ongoing Activities

- Dark Horse is expecting to receive the Environmental Impact Statement (EIS) Exploration Permits from the Santa Cruz Provincial Mining Authority for Cachi Gold Project in the near future.
- Funding to support the drilling program via the current equity raise is in progress. In the longer-term, Dark Horse is also considering debt based structures secured on the Company’s 30.4% stake in Lakes Oil.
- Final drill design is also being completed at the Las Opeñas Gold Project in San Juan province as outlined in the recent ASX announcement of 20 November 2019.
- The Company is concluding a Drilling Contract with an experienced South American drilling company.

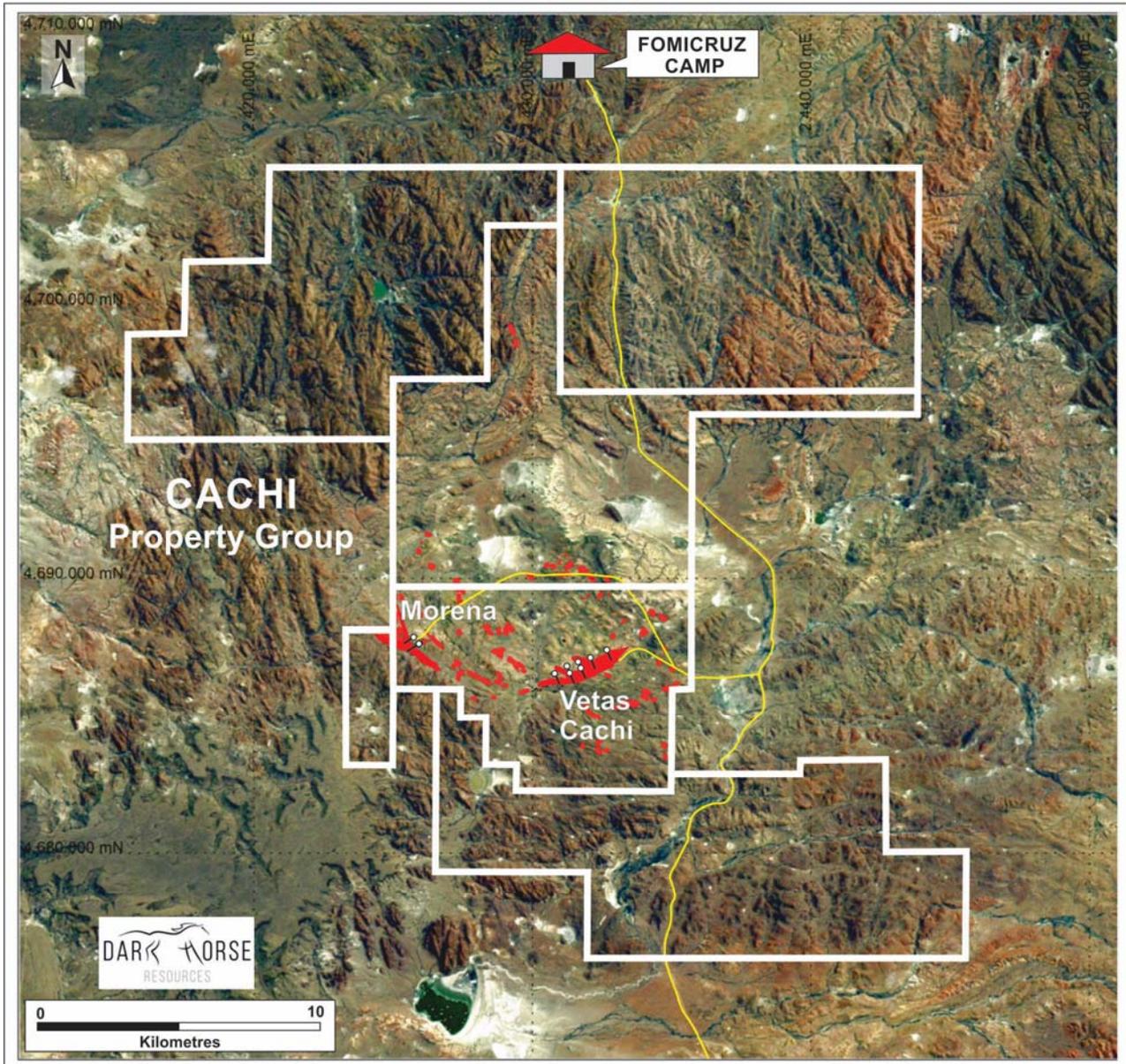


Figure 3 – Location of Fomicruz camp accommodation, only 30 minutes drive from Cachi Gold Project drill targets.

Dark Horse is pleased to take the next major step towards Resource Definition and classification to the internationally recognised Australian JORC Standard for the Cachi and Las Opeñas Gold projects. The Company looks forward to reporting these milestones as they progress, and to fruitful outcomes for its shareholders.



On behalf of the Board
 Mr Karl Schlobohm
Company Secretary

Table 1: Complete Gold and Silver assay results table for Cachi Gold Project recent surface sampling in preparation for drilling.

Sample N°	Sample Type	Project	Prospect	X	Y	Z	Length	Gold g/t	Silver g/t
A-05162	Rock_Chip	Cachi	Vetas Cachi	2432860	4686724	862		1.00	16.1
A-05163	Rock_Chip	Cachi	Vetas Cachi	2432471	4687117	749		0.48	9.8
A-05164	Rock_Chip	Cachi	Vetas Cachi	2432470	4687118	747		0.02	1.7
A-05165	Rock_Chip	Cachi	Vetas Cachi	2432469	4687119	743		1.09	11.5
A-05166	Rock_Chip	Cachi	Vetas Cachi	2432384	4687056	735		0.28	1.6
A-05167	Chip Channel	Cachi	Vetas Cachi	2432406	4686905	715	0-1.1	0.31	1.5
A-05168	Chip Channel	Cachi	Vetas Cachi	2432399	4686896	718	0-1.2	9.52	4.6
A-05169	Float	Cachi	Vetas Sur	2431969	4686368	764		0.18	2
A-05170	Chip Channel	Cachi	Vetas Cachi	2432545	4686935	760		1.12	88.8
A-05171	Rock Chip	Cachi	Vetas Cachi	2432497	4686941	756		1.96	24.7
A-05172	Rock Chip	Cachi	Vetas Cachi	2432488	4686950	755		0.04	23.7
A-05173	Rock Chip	Cachi	Vetas Cachi	2432478	4686925	757		0.05	5.3
A-05174	Rock Chip	Cachi	Vetas Cachi	2432465	4686931	756		0.11	3.4
A-05175	Rock Chip	Cachi	Vetas Cachi	2432446	4686930	756		0.21	8.9
A-05176	Rock Chip	Cachi	Vetas Cachi	2432445	4686931	756		0.10	6.4
A-05177	Rock Chip	Cachi	Vetas Cachi	2432439	4686939	757		0.08	4.9
A-05178	Rock Chip	Cachi	Vetas Cachi	2432416	4686941	755		1.42	2.1
A-05179	Rock Chip	Cachi	Vetas Cachi	2432427	4686944	755		1.93	2.7
A-05180	Rock Chip	Cachi	Vetas Cachi	2432440	4686955	754		0.09	1.2
A-05181	Rock Chip	Cachi	Vetas Cachi	2432447	4686962	753		0.14	1.3
A-05182	Rock Chip	Cachi	Vetas Cachi	2432350	4686901	757		0.95	0.5
A-05183	Rock Chip	Cachi	Vetas Cachi	2432329	4686879	756		5.1	15.3
A-05184	Rock Chip	Cachi	Vetas Cachi	2432319	4686879	758		17.83	13.2
A-05185	Rock Chip	Cachi	Vetas Cachi	2432333	4686891	758		4.37	89.3
A-05186	Rock Chip	Cachi	Vetas Cachi	2432480	4686955	753		3.22	15.3
A-05188	Float	Cachi	Morena	2425062	4688081	786		0.67	23.5
A-05189	Chip Channel	Cachi	Morena	2425070	4688151	772	0-0.7	0.02	1.7
A-05190	Chip Channel	Cachi	Morena	2425070.7	4688151	772	0.7-1	0.06	4.9
A-05191	Chip Channel	Cachi	Morena	2425071.2	4688151	772	1-1.7	0.02	1.4
A-05192	Rock Chip	Cachi	Vetas NW	2425096	4688457	751	0.5	0.53	8.9
A-05193	Rock Chip	Cachi	Vetas NW	2425104	4688455	748	1	1.00	434.02
A-05194	Rock Chip	Cachi	Morena	2425467	4688059	785	1.2	0.14	1.9

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 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.



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About Dark Horse Resources

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Competent Persons Statement

The information herein that relates to Exploration Targets and Exploration Results is based information compiled by Mr Trevor Leahey, who is a member of The Australian Institute of Geoscientists. Mr Leahey is a consultant to Dark Horse Resources Ltd.

Mr Leahey has more than twenty 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.

JORC Code, 2012 Edition – Table 1 –

SURFACE TRENCHING & ROCKCHIP SAMPLING

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<p>SURFACE TRENCHING</p> <ul style="list-style-type: none"> Surface trenches were dug with a backhoe to depths of 0.1 to 1m to expose fresh rock below transported overburden and weathered bedrock. The trenches have a width of 0.8 to 1m. Channel samples were then cut in the floor of the trench using a portable diamond saw to cut two parallel incisions (10cm apart) in the rock from within which a sample of 3-4kg was collected using hammer & chisel to a depth of 3cm. Individual samples vary from 0.5 to 1.5 length depending on geology. <p>ROCKCHIP SAMPLING</p> <ul style="list-style-type: none"> Stratified random chip sample across outcrop trend, collecting 3-4Kg of material
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Not Applicable
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Not Applicable
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically 	<ul style="list-style-type: none"> The lithology, alteration, mineralization and structure, along with

Criteria	JORC Code explanation	Commentary
	<p><i>logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<p>photographs is recorded for each sample.</p>
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>SURFACE TRENCHING</p> <ul style="list-style-type: none"> • The channel dimensions give a geostatistical support comparable to that of a HQ drill sample. • Strongly mineralized intervals have duplicate channels cut with an offset of 0.4-0.5m along the vein from the original. • The sampling techniques are Industry Best Practice and will adequately represent the material being sampled. • Care is taken to insure the channel base is smooth and the sample not biased by rock hardness <p>ROCKCHIP SAMPLING</p> <ul style="list-style-type: none"> • Random chip across outcrop trend
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Samples are prepared at the Alex Stewart Sample Preparation facility in Puerto San Julian then shipped by Alex Stewart to their Mendoza Laboratory for analysis. • Sample preparation consists of a fine crush, riffle split and ring pulverizing of 1kg to 85% < 75µm. • Pulps are analyzed using method codes Au4-30 & ICP-MA-39; a 30g fire assay with an AA finish and a 39 element determination using an aqua-regia digestion with ICP-AES determination. • OREAS® Standards are inserted in the sample sequence at the rate of 1 in 40.
<p><i>Verification of sampling</i></p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification,</i> 	<ul style="list-style-type: none"> • Laboratory CSV files are merged with location data files using unique sample numbers as the key. • No adjustments made to assay data

Criteria	JORC Code explanation	Commentary
<i>and assaying</i>	<p><i>data storage (physical and electronic) protocols.</i></p> <ul style="list-style-type: none"> • <i>Discuss any adjustment to assay data.</i> 	
<i>Location of data points</i>	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Samples are located using handheld GPS receivers. • UTM projection Gaus_Kruger_(CIZ2)
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<p>SURFACE TRENCHING</p> <ul style="list-style-type: none"> • Will not be used for resource estimation till supported by drilling. • No sample compositing has been applied. <p>ROCKCHIP SAMPLING</p> <ul style="list-style-type: none"> • Stage 1 Exploration Sampling only
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Samples are collected transverse to the strike of the outcrop. • No bias is believed to be introduced by the sampling method.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Samples are hand delivered to the laboratory
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • Internal review of methodology is undertaken regularly by senior company personnel.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Santa Cruz Project consists of 176,468Ha under an Earn-In agreement with Proar and 43,789Ha under an Earn-In agreement with Tres Cerros Exploraciones. There are no known impediments to exploration in the current area of operations.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Greenfields exploration
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Exploration for epithermal gold-silver deposits in the prospective Chon Aike Formation which hosts the Cerro Vanguardia, Mina Marta and Josefina Deposits
<i>Drill hole Information</i>	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Not Applicable
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such 	<p>SURFACE TRENCHING</p> <ul style="list-style-type: none"> Channel aggregates are calculated as length weighted averages above a specified cutoff grade and including internal dilution to a maximum of 2m. <p>ROCKCHIP SAMPLING</p>

Criteria	JORC Code explanation	Commentary
	<p><i>aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • No aggregation of samples
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • Not Applicable
<p><i>Diagrams</i></p>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • Sample Location map included in discussion
<p><i>Balanced reporting</i></p>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Full sample listing included.
<p><i>Other substantive exploration data</i></p>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • Not Applicable – stage 1 exploration
<p><i>Further work</i></p>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Follow-up mapping and sampling in progress