



ASX Announcement

22 November 2016

Dark Horse Further Expands its Argentine Focus with the Acquisition of a Highly Prospective Gold Project in Renowned Gold Province

- Acquisition of highly prospective gold project acquisition in the Santa Cruz province of Argentina where there are a number of world class, multi-million-ounce gold deposits including Cerro Negro and Cerro Vanguardia.
- Two large exploration licences (Cateos) 'Los Domos' and 'Los Domos Norte'.
- Highly elevated gold values from extensive lag sampling and analyses have indicated anomalous gold zones within epithermal vein structures and breccias.
- A number of drill ready, target areas have been defined associated with two pervasively altered rhyolitic domes.

Dark Horse Resources Limited (ASX:DHR; "DHR" or "Company") is pleased to announce that it has entered into an Exclusivity Agreement with the TCE Vendor Group (Vendor) for the option to acquire 85% of the Los Domos Gold Project in Argentina through a series of staged payments, earning equity progressively, totalling U\$3.4 million, much of which is at the discretion of Dark Horse following consideration of initial results. Should the Vendor not wish to fund their 15% share of a mine development, they can elect to dilute to a 5% free carried interest in the project and a 2.0% NPI.

The Los Domos Gold Project is located in the central-eastern region of Santa Cruz Province, Argentina (Figure 1) and contains two exploration licences (Cateos Los Domos and Los Domos Norte as per Figure 2) covering a combined area of approximately 105km². The region is host to numerous multi-million ounce, epithermal style gold-silver deposits within Santa Cruz Province including Cerro Vanguardia owned by AngloGold Ashanti, and Cerro Negro owned by Goldcorp (refer Figure 1).

Dark Horse Director Neil Stuart said "we are very fortunate to have been able to secure the Los Domos gold project in Santa Cruz for Dark Horse. I'm quite optimistic in the potential for the discovery of medium to large scale gold-silver projects in this region of Argentina, as a result of my earlier involvement in the Cerro Negro gold project, which is a multi-million-ounce gold deposit. With this project opportunity secured, Dark Horse is well placed to emulate this success."



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Photos of mineralised rock samples (a, b and c) from vein/breccia systems and silica cap (d) within the la Punta Prospect Area



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Figure 1. Location of the Los Domos Project



Figure 2. Location of the Los Domos and Los Domos Norte cateos (leases)



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Technical Information on Los Domos Project Argentina

Geologically the project is located within the Deseado Massif dominated by Middle to Upper Jurassic volcanics of the Chon Aike Formation (refer Figure 3). This unit consists of acid tuffs, ignimbrites, pyroclastics, rhyolitic domes and flows, and is the host formation for a number of multi-million ounce, epithermal style gold-silver deposits within Santa Cruz Province including Cerro Vanguardia and Cerro Negro.

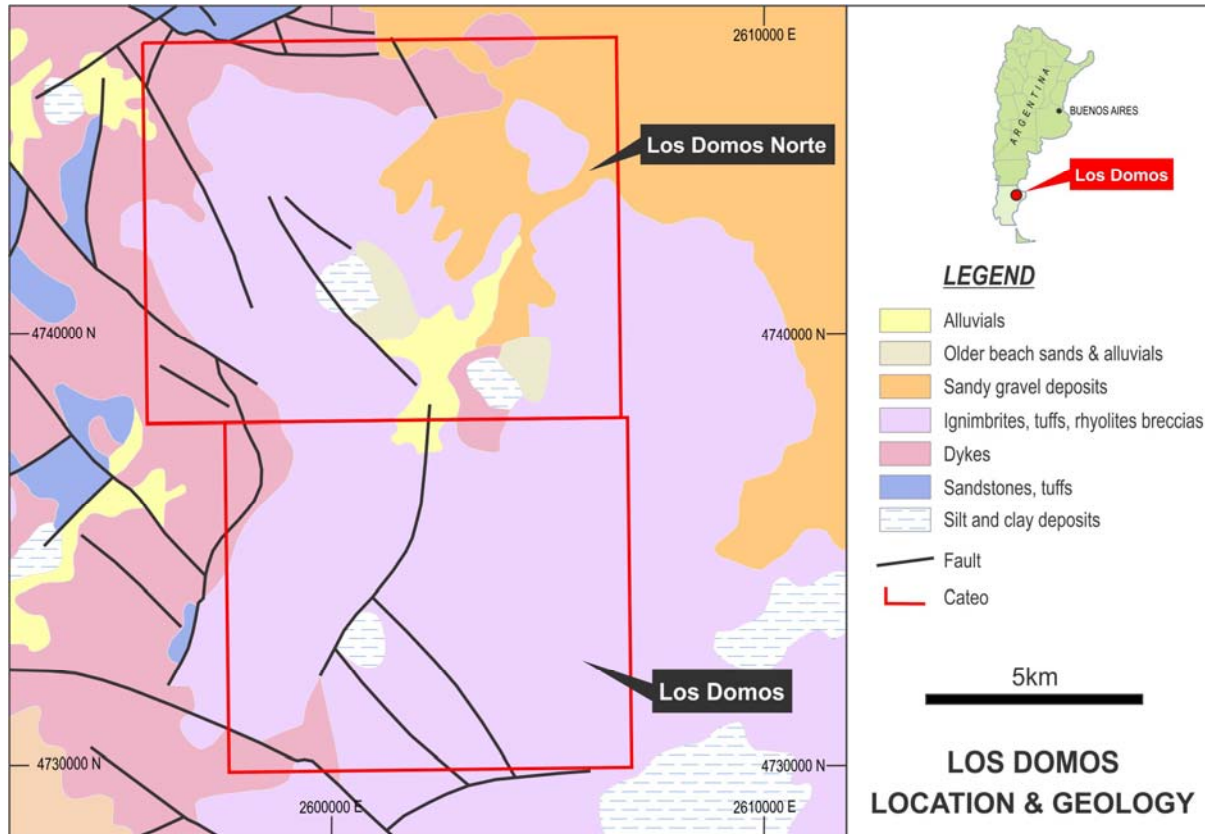


Figure 3. Local geology at Los Domos.

A number of target areas including La Punta, La Punta Norte, Sorpresa and Cerro Blanco, shown on Figure 2 have been defined within the Los Domos Cateo associated with two, pervasively altered, rhyolitic domes. Highly elevated gold values from extensive lag sampling and analyses has indicated anomalous gold zones within epithermal vein structures and breccias. A significant amount of exploration work has been carried out on the properties over several years and includes Gradient Array IP (delineating an anomaly), extensive lag sampling on a surveyed grid (resulting in elevated and anomalous Au and Ag grades), regional geological mapping and detailed mapping of vein structures. The vein systems show the typical gold bearing epithermal characteristics of vuggy and saccharoidal quartz, chaledonic areas, carbonate replacement textures, iron oxides, silicification, minor sulphides and breccia zones – see above photos.

The main target area within the Los Domos Cateo is La Punta (general location shown in Figure 2). Figure 4 shows the outlines of the rhyolitic domes, the IP chargeability anomaly, quartz veins and breccia areas with some historical rock chip assay results, the highest returning 5.7 g/t Au.

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Figure 5 shows the lag sampling results plotted on an overlay of the geology (the larger circles are anomalously high Au values) and the coinciding IP anomaly area. The IP chargeability anomaly and vein structures were overlain on an ASTER satellite image, which shows a distinctive hydrothermal alteration zone. The accumulative data available for La Punta allows for this prospect area to be considered an immediate drill target.

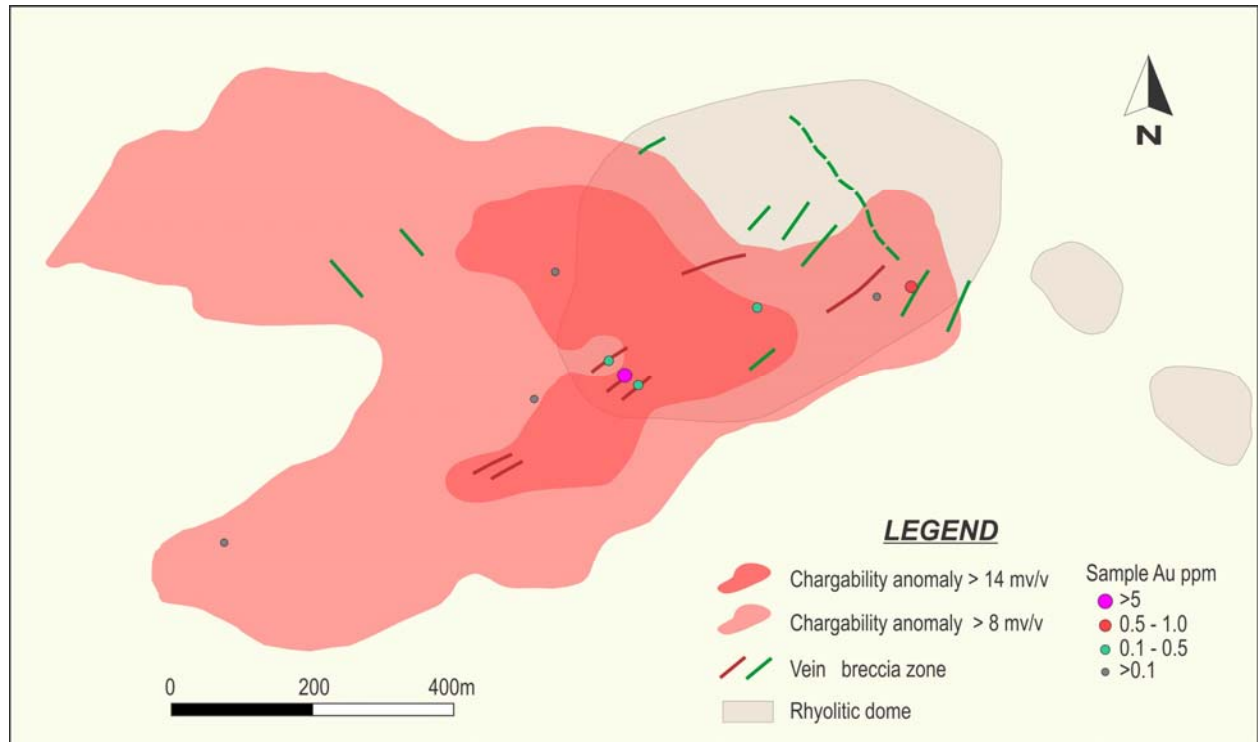


Figure 4. La Punta prospect showing IP Chargeability Anomaly, Rhyolitic Domes, Veins and Breccia zones

Dark Horse's proposed exploration program will target the "drill ready" rhyolite dome hosted bulk style mineralization at the La Punta prospect and also the relatively unexplored epithermal high-grade vein/breccia systems in four other identified prospect areas and more regional reconnaissance to identify further prospective zones.

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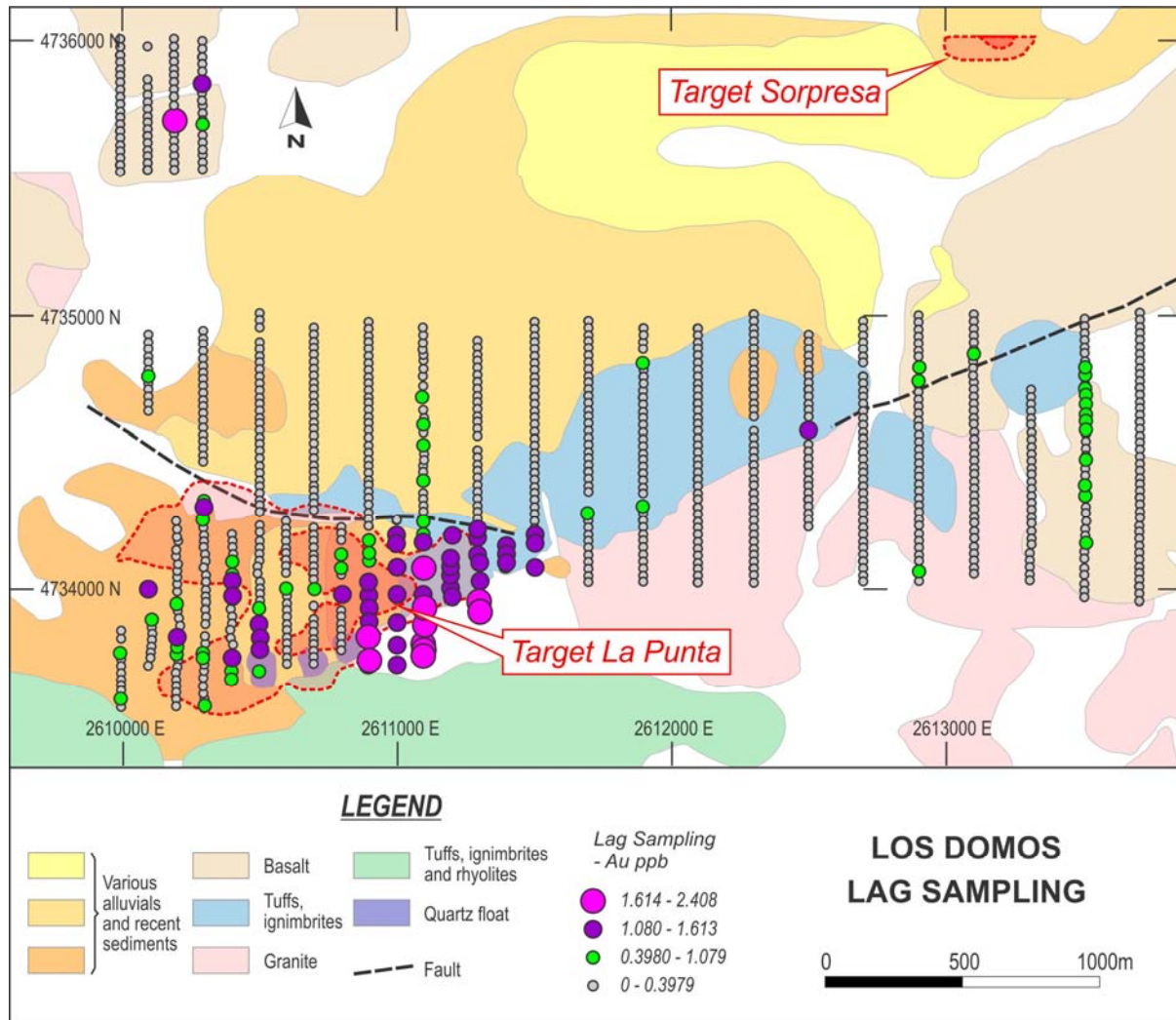


Figure 5. Lag Sampling Survey results showing elevated gold values coinciding with the IP Chargeability Anomaly at La Punta overlain on the geology

Regional Prospectivity

Immediately to the south of the Los Domos project, Mariana Resources Limited holds tenements covering their Calandria Sur prospect where Mariana have previously announced (TSX: 11 July 2011) a half million-ounce gold equivalent Mineral Resource of 11.8Mt at 1.29g/t Au and 17.4 g/t Ag (Indicated category of the Canadian National Instrument 43-101 compliant).

The Calandria Sur deposit is a bulk tonnage, epithermal (rhyolite dome hosted) gold-silver deposit with contributions to the resource from associated high-grade Au-Ag vein/breccia systems. Further resources are likely to be defined with continuing exploration. The Calandria Sur deposit has many similarities to the La Punta prospect area in Los Domos. Figure 6 shows the IP Chargeability anomalies for both La Punta and Calandria Sur at the same scale. La Punta is a much larger footprint and compares quite favourably with Calandria Sur.

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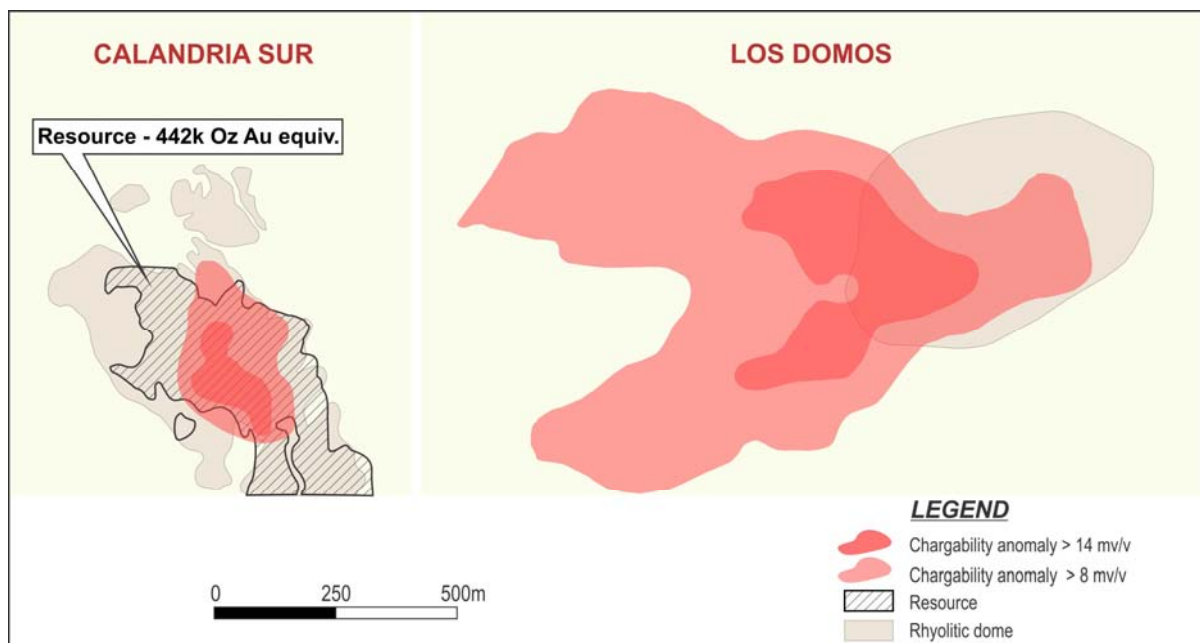


Figure 6. Comparison of the IP Chargeability Anomalies for La Punta prospect and Mariana's Calandria Gold-Silver deposit on same scale

The TCE Vendor Group

TCE comprises five prominent Argentinian geologists: Claudio Lucero, Facundo Flores, Vicente Sanchez, Guillermo Romero and Jorge Garay, who have worked collectively in the Deseado Massif region of Santa Cruz for many years. They have worked for some significant exploration and mining companies and been intimately involved in the discoveries of a number of significant projects including Exeter Resources (Cerro Moro project), Mirasol Resources (Virginia, Joaquin projects), Hochschild Mining, North Limited, De Grey Mining, Yamana Gold, Minera Polimet, Hidefield Gold, Minera IRL, Hunt Mining (Cerro Cazador project) and Coeur Mining (Mina Martha Mine).

Deal Terms and Future Activities

Dark Horse will undertake technical and legal due diligence during a two month exclusivity period with an aim to entering into an Option Agreement to acquire the project under the following investment terms:

| Payment Scheme | Payments | DHR Equity Earn |
|----------------------------------|-------------|-----------------|
| Exclusivity Fee | \$25,000 | |
| 60 day DD and Contract execution | \$25,000 | |
| 6 mths from start date | \$50,000 | |
| 12 mths from start date | \$75,000 | |
| 24 months from start date | \$150,000 | |
| 36 months from start date | \$275,000 | 35% |
| 48 months from start date | \$500,000 | 51% |
| 60 months from start date | \$600,000 | 61% |
| 72 months from start date | \$700,000 | 75% |
| Extra payment for another 10% | \$1,000,000 | 85% |



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Dark Horse is also required to make a series of expenditure payments on the project totalling U\$5.1 million as follows:

| Expenditure | Amount U\$ |
|-------------|-------------|
| Year 1 | \$250,000 |
| Year 2 | \$450,000 |
| Year 3 | \$700,000 |
| Year 4 | \$1,000,000 |
| Year 5 | \$1,200,000 |
| Year 6 | \$1,500,000 |

Should the project proceed, Dark Horse will move quickly to design and implement a drilling program at the La Punta project area, and will carry out further geophysical and geological exploration over some of the other identified targets.



On behalf of the Board
Mr Karl Schlobohm
Company Secretary

Competent Persons Statement

The information herein that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Neil Stuart, who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Neil Stuart is a Director of Dark Horse Resources Ltd.

Mr Stuart has more than five years' experience which is relevant to the style of mineralisation and type of deposit being reported and to 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.

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About Dark Horse Resources:

Since listing on the Australian Stock Exchange in 2011, Dark Horse Resources (formerly Navaho Gold) has slowly evolved into a diversified exploration company, with interests in gold projects in the USA, numerous mineral licences in Australia, oil and gas projects in Australia (held via NavGas Pty Ltd), and coal and lithium projects in Argentina.

The Company's coal projects in Argentina consist of the Marayes project (San Juan province) and the Nirihuau project (Rio Negro province). Both projects are located within close proximity to access to existing rail networks with links to industrial areas and ports.

Dark Horse has recently entered into an exclusive option arrangement to acquire an Argentinean company with rights to acquire lithium projects and mines in two separate provinces of Argentina.



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