

**DATELINE RESOURCES
LIMITED**

(ACN 149 105 653)

ASX Code: DTR

CAPITAL STRUCTURE

Share Price (22/2/23) \$0.026
Shares on issue 565.18 million
Market Cap \$14.7 million

MAJOR SHAREHOLDERS

Mr. Mark Johnson AO	17.41%
Southern Cross Exploration NL	16.96%
HSBC Custody Nominees	9.42%
Stephen Baghdadi	4.78%

**DIRECTORS &
MANAGEMENT**

Mark Johnson AO
Chairman

Stephen Baghdadi
Managing Director

Greg Hall
Non-Executive Director

Tony Ferguson
Non-Executive Director

Bill Lannen
Non-Executive Director

John Smith
Company Secretary

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**Dateline progresses JV at Gold Links with London
Mine Toll Treatment agreement**

Highlights

- Toll treating terms agreed with owners of the London and Hock Hocking Mines (London), both located in Colorado
- Monthly payment of US\$825,000 to be paid to Dateline's US subsidiary as treatment fee
- London owners to pay US\$700,000 to complete the upgrade of the Lucky Strike processing plant
- London contains ~800,000 metric tonnes (t) of stockpiles that are planned to be upgraded using ore sorting
- Ore sorting test results demonstrate over 350% improvement in grade and 81.2% reduction in mass
- Treating the London stockpiles will reduce pressure on underground mining at Gold Links in the short term.

Dateline Resources Limited (ASX: DTR) (**Dateline** or the **Company**) is pleased to announce that it has reached an agreement with US company, MW Sorter LLC (**MW**), to bring together Dateline's Gold Links mine and Lucky Strike processing plant with MW's stockpiles at the London and Hock Hocking mines, located 160km from the plant.

MW owns the London and Hock Hocking mine surface stockpiles of 800kt at 2g/t Au for 51,000oz Au. The surface stockpiles at the London mine were tested in 1985 by Behre Dolbear & Company, pre the introduction of the JORC code and the estimated grade is not JORC compliant.

The agreement with MW is to combine the Gold Links Mine, Lucky Strike processing plant and London and Hock Hocking Mine stockpiles into a new US entity, to be owned 50% by Dateline, 40% by MW and 10% by a private Australian investor. As part of the transaction, MW and the Australian investor have injected US\$440,000 into Dateline subsidiary, Fossil Creek Mines LLC (**FCM**), and arranged a new US\$5 million working capital facility¹. Conditions imposed on the financing require that MW Sorter and Fossil Creek Mines operate at arm's length, so an interim toll-treating agreement has also been reached, which includes capital to be provided by MW to complete the upgrade and commissioning of the Lucky Strike Mill to achieve 250 tonnes per day (**tpd**) all-weather capacity.

A new US entity will be established and operate independently with representatives of Dateline and MW on the Board and management committees. The new entity will assess the opportunity to recommence underground mining at Gold Links, with ore to be blended with London stockpiles to ensure that the plant can consistently operate at 250tpd.

Dateline's Managing Director, Stephen Baghdadi, commented:

"When we commenced the search for a joint venture partner for Gold Links, we sought a partner that had both financial capabilities as well as US operating experience.

"By partnering with MW, we bring together two quality assets that have the potential to generate better returns than if developed independently.

"Dateline shareholders were naturally disappointed with the suspension of mining at Gold Links, but the new joint venture will allow gold production to recommence, and the plant should operate at its full capacity, under a focussed management team."

¹ This amount is in addition to the US\$5m being pursued by FCM and disclosed to the ASX on February 3, 2023

Background

In January 2022, Dateline commenced ore mining from Gold Links following a 12-month exploration and underground development program. Ore was initially mined at a rate of 80-100tpd to match the capacity of the existing Lucky Strike processing plant, located 50km from the Gold Links mine. The Company made the decision to increase the plant capacity to 250tpd and acquired additional crushing, milling and flotation equipment to suit. This new equipment was incorporated into the mill during H2 2022.

Commissioning of the existing plant and the introduction of new equipment was disrupted by delays, fluctuations in output at Gold Links and inconsistent recoveries at Lucky Strike. Whilst some of these variations were expected as part of the commissioning phase, overall, they resulted in significant working capital and cash flow issues that put pressure on the Company's finances.

In December 2022, the Board made the decision to seek a JV partner for Gold Links, preferably one with US operating experience that could better oversee day-to-day activities. At this point, the Board made the decision to suspend underground mining activities at Gold Links to preserve the value of the operation. Approaches were received from several parties who were interested in entering into a JV agreement.

The Dateline board selected MW as the preferred JV partner because the addition of the London and Hock Hocking Mine stockpiles allows the opportunity for Gold Links and Lucky Strike to be operated with multiple ore sources available. Blending of ore from the two operations are expected to result in a more stable production profile going forward.

In addition, having two operations within proximity to each other in Colorado allows for MW, a local operator, to better oversee the two operations. Thirdly, MW has the financial capacity to provide funding that will allow the combined operation to complete commissioning and move to an anticipated positive cashflow.

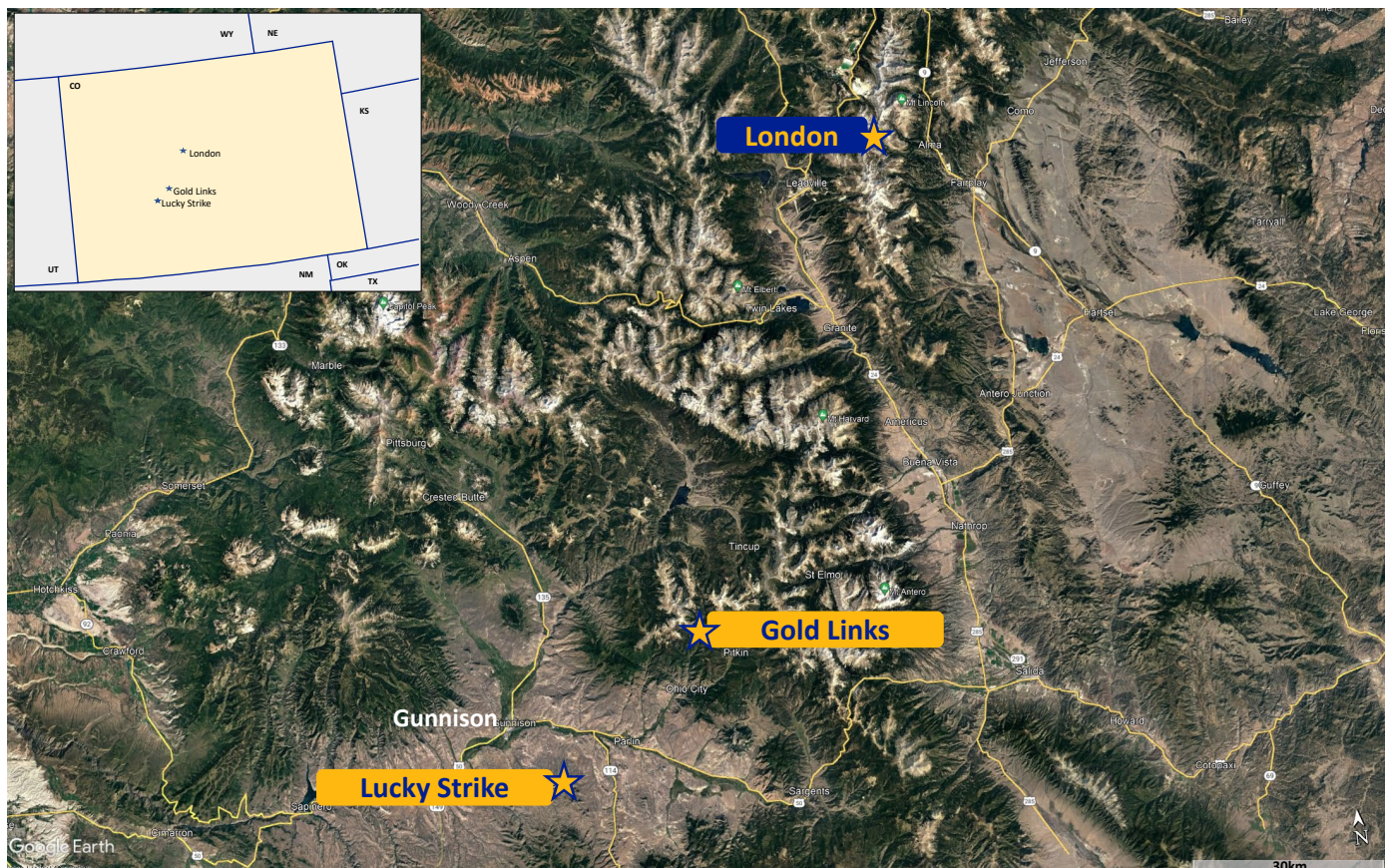


Figure 1: Location of the Gold Links, Lucky Strike and London assets, Colorado

London Mine and Associated Assets

The London Mine is located approximately 160km by road from the Gold Links and Lucky Strike properties. The Mine lies at an elevation of 11,000' near the town of Alma. The London Mine sits in the heart of the Colorado Mineral Belt, the prolific lineament stretching NE to SW across the state and is directly adjacent to the historic Leadville mining district.

Based on historical records, the London mine was in full production from 1875 to 1942, producing over 650,000 ounces of gold at 23g/t Au from more than 3km of strike length on multiple gold-quartz vein structures. Production ceased due to

metals prices and government production restrictions related to the War Powers Act. Mining operations continued after the cessation of WWII and in its final year of operation, 1988, the London Mine JV controlled by Cobb Resources, Boulder Gold NL and Ben Wright produced 12,000 ounces at an average grade of 15 grams per tonne.

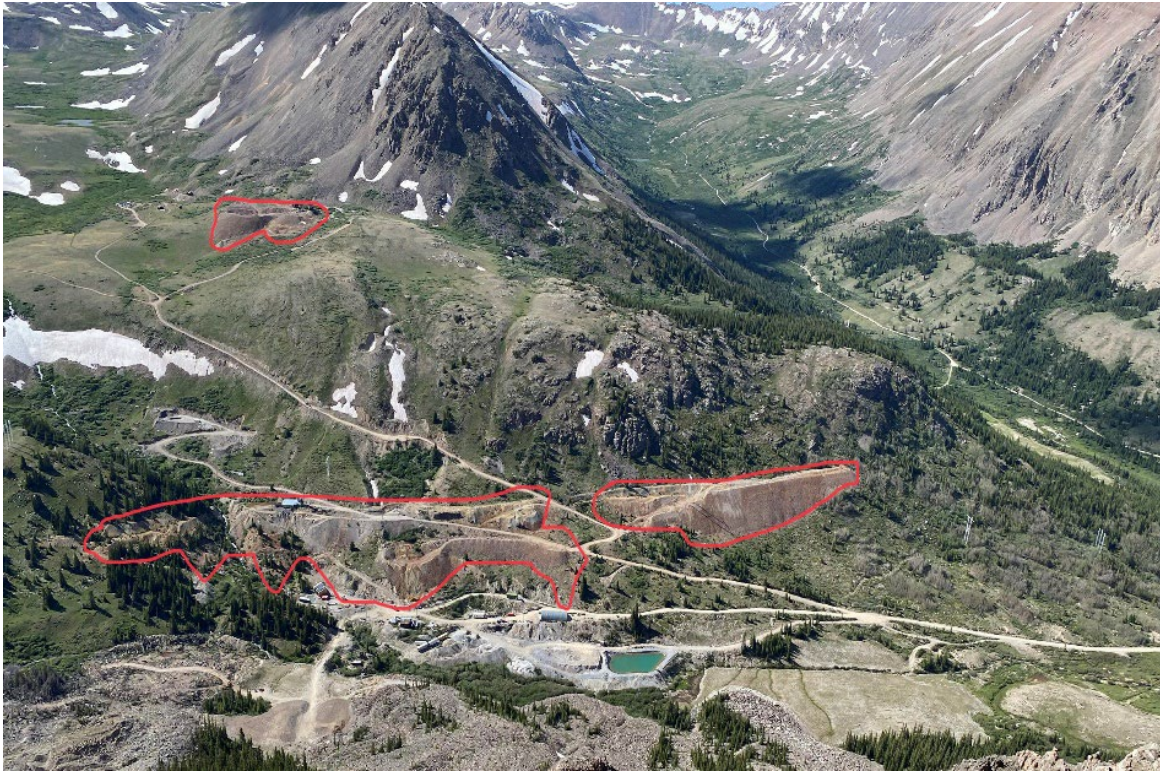


Figure 2: London mine - surface stockpiles outlined in red

Transaction Details

The proposed transaction initially involves a toll milling agreement with MW, whereby US\$440,000 cash is provided (by MW and a private Australian investor) and MW agrees to pay an additional \$700,000 to FCM upon completion of debt financing arrangements by MW. MW will operate as a standalone arm's length entity until debt financing requirements are met to the satisfaction of the lender.

Under the toll treatment arrangement, MW will pay FCM a treatment fee of \$825,000 per month. This fee is expected to be sufficient to fund the operating costs of the FCM milling operation, service existing debt and generate a modest surplus of US\$150-200k per month.

Upon approval of the funding, the subsequent transaction involves an acquisition by FCM, of the stockpile assets from MW. MW will then vend the London and Hock Hocking stockpiles into FCM in return for equity totalling 40% post completion. MW will secure US\$5 million in new debt financing to be used for this venture¹.

Post completion, Dateline will hold 50% of the shares in FCM, with 40% held by MW and 10% by a private Australian investor. The transaction is subject to additional due diligence and is expected to be completed within 45 days. If the transaction is successfully concluded as planned, first ore is expected to be transported to Lucky Strike by June 2023.

Proposed Production Plan

The new financing will be used to acquire an ore sorter, three 40t haulage trucks and complete outstanding capital works on the processing plant.

The stockpiles will be run through an ore sorter at the London mine site. The test work by Steinert ore sorting, and Kappes Cassiday and Associates indicate that the stockpile is amenable to ore sorting with over 80% of the material reporting to waste and there being a corresponding improvement in the grade. This sorted product will be transported to Lucky Strike and be processed at a rate of 220tpd for six days per week.

The new management team will assess the potential to displace the London sorted product with high-grade ore from the Gold Links, thus allowing the operation to continue for longer and at a more stable output level.

¹ This amount is in addition to the US\$5m being pursued by FCM and disclosed to the ASX on February 3, 2023

This announcement has been authorised for release on ASX by the Company's Board of Directors.

For more information:

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About Dateline Resources Limited

Dateline Resources Limited (ASX: DTR) is an Australian publicly listed company focused on gold mining and exploration in North America. The Company owns 100% of the Gold Links and Green Mountain Projects in Colorado, USA and 100% of the Colosseum Gold Mine in California.

The Gold Links Gold Mine is a historic high-grade gold mining project where over 150,000 ounces of gold was mined from high-grade veins. Mineralisation can be traced on surface and underground for almost 6km from the northern to the southern sections of the project.

The Company owns the Lucky Strike gold mill, located 50km from the Gold Links mine, within the Green Mountain Project. The plant is currently on care and maintenance.

The Colosseum Gold Mine is located in the Walker Lane Trend in East San Bernardino County, California. On July 6, 2022, the Company announced to the ASX that the Colosseum Gold mine has a JORC-2012 compliant Mineral Resource estimate of 20.9Mt @ 1.2g/t Au for 813,000oz. Of the total Mineral Resource, 258koz @1.2g/t Au (32%) are classified as Measured, 322koz @1.2g/t Au (39%) as Indicated and 235koz @1.3g/t Au (29%) as Inferred.

The Colosseum is located less than 10km north of the Mountain Rare Earth mine. Work has commenced on identifying the source of the mantle derived rocks that are associated with carbonatites and are located adjacent to the Colosseum mine.