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Company Announcements Office  
Australian Securities Exchange Limited  
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Sydney NSW 2000

### **Dateline Resources to invest in Colorado Gold Mine and Related Processing Facilities**

- **DTR to acquire the Gold Links Mine in Colorado and nearby ore processing facility**
- **Early cash-flow opportunity from mill expansion and through processing of existing ore stockpiles**
- **Compelling geology across the 600+ acre (242 hectares) holding with valuation upside through exploration**

**The Board of Dateline Resources Limited (ASX: DTR) (Dateline, or the Company)** is pleased to announce a transaction where the Company will acquire a permitted gold mine and processing mill in Colorado, United States of America.

The Company has entered into a binding agreement to take assignment of Gunnison Gold Pty Ltd (**Gunnison**) from Southern Cross Exploration Limited (**ASX: SXX**). Gunnison has recently entered into agreements to acquire 100% ownership of CRG Mining LLC (which owns the permitted Gold Links Mine in Colorado) and 100% of SLV Minerals LLC (which owns a 50 tonne-per day (tpd) ore processing mill located on 17 acres (6 hectares) of freehold land in Colorado).

To complete the transaction, Gunnison Gold is required to initially pay US\$200,000 for all of the issued shares of CRG Mining LLC and SLV Minerals LLC. After Gunnison is acquired by Dateline, additional milestone payments of US\$3 million in two years, and a further US\$7 million four years after this period, will be payable by Gunnison to the vendors of the mine and mill. Also, royalties are payable to the landowner indexed to the gold price but capped at 7% if the gold price is above US\$5,500. The current Net Smelter Royalty is 1.25% based on today's gold price.

#### **Transaction Terms**

Dateline has agreed to take assignment of Gunnison from SXX on the following terms, which are subject to shareholder approval by the shareholders of DTR:

- A finder's fee of A\$250,000 to SXX and the grant of 25 million options at a strike price of \$0.04 and DTR reimbursing SXX's costs;
- The repair of DTR's balance sheet by:
  - I. The issue of DTR shares at \$0.01 per share to SXX to satisfy repayment of approximately \$400,000 owed to SXX by DTR;
  - II. The placement of 100,000,000 shares in DTR at \$0.01 per share to SXX for consideration of \$1,000,000;
  - III. DTR completing a subsequent \$850,000 capital raising at a price of at least \$0.01 per share.

### **Quality assets being acquired: fully permitted gold mine with near-term cash flow potential**

The Gold Links Mine comprises 34 patented and 20 unpatented mining claims in Gunnison County, Colorado covering 242 hectares (600+ acres). Gunnison is 320 kilometres (200 miles) south west of Denver, Colorado.

Gunnison Gold Pty Ltd plans to utilise proven, mechanised mining techniques to extract ore from the Gold Links Mine. With successful exploration and delineation, mining will include the use of Alimak, Resue, and Longhole stoping methods. These methods have been used successfully in operations worldwide, specifically in the narrow veined deposits in the Eastern Goldfields of Western Australia.

At present, a small 50tpd plant is available to treat ore from the Gold Links Mine, incorporating a simple flowsheet of crushing, grinding, flotation and thickening to produce a gold concentrate. No cyanide is used and recoveries of 90% are expected. Gunnison proposes to expand this plant to 100tpd to enable the treatment of remnant broken ore and ore from several easily accessed areas within the Gold Links Mine. This will provide early cash-flow while a more strategic exploration program is undertaken.

### **Project located in a proven gold mining province with compelling geology**

The Gold Links Mine forms part of the Gold Creek district within the Gold Brick mining district. Two separate vein systems have been mined on the property Sacramento and the 2150.

Gold was discovered in Gold Rush creek in 1879 and hard rock mining commenced soon after at the Sacramento vein system. Ore was milled to produce free gold, sulphide concentrate and direct shipping products. In this period Sacramento returned USD\$350,000 when gold was USD20 per ounce. The 2150 vein system was discovered while driving an adit to access beneath the Sacramento vein system. The 2150 vein system was mined from 1908 to 1912. In this period 2150 vein returned USD\$515,867 when gold was USD\$20 per ounce.

Veins occupy small scale faults that strike north-south and dip east at 70 degrees. Some veins are cut by rhyolite dykes and other veins cut rhyolite dykes. **Veins range from 10cm to more than 100cm and the average width is 80cm (2.62ft).** Ore shoots are common and vein widths are highly variable. Geological control of high grade shoots is not known. Veins are comprised of quartz, carbonate and sulphide. Open space fillings are common.

The 2150 vein has been mined along a 600m (~1800ft) strike within +700m (~2,275ft) of development. The main mining area is stoped for 200 vertical metres (~660ft). Sacramento vein was mined for 400m (~1300ft) on three levels to a maximum of 100m (~330ft) vertical metres.

### **Commentary**

**Dateline Chairman Mark Johnson said:** "The transaction provides Dateline access to a near-term producing gold mine with immediate expansion capacity, and in a proven mining district in Colorado. Significant value can be added by Dateline scaling up production and undertaking an aggressive exploration program across the property".

"As the project is developed, these assets should support comprehensive exploration and increased production plus the prospect of near term cash flow, something the company has been seeking for several years. Colorado is a proven precious metals province, considerable historic information on the properties is available, and the mining jurisdiction is well established".

"A small but highly experienced team has been assembled to advance the project. We now need to obtain the approval of shareholders, and follow this with the project development program including maintaining a good working relationship with the local community and the regulatory departments".

"We will continue to examine prospects for the development of our Udu base metal resource, but moving Dateline from explorer to producer status will be our prime objective. The opportunity to acquire the Gold Links mine and a processing mill in a long established mining province is an exciting one, and we intend to do everything possible to make the project a great success".

This transaction is subject to shareholder approval by Dateline and the Company looks forward to lodging a notice of meeting to seek this approval and present the investment more fully to shareholders for their consideration.



**Figure 1: The Gold Link Mine, Colorado**



**Figure 2: Minerals processing facility, Colorado**

**For more information, visit:** [www.datelineresources.com.au](http://www.datelineresources.com.au)

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