

DATELINE RESOURCES
LIMITED

(ACN 149 105 653)

ASX Code: DTR

CAPITAL STRUCTURE

Share Price (12/03/21) \$0.003
 Shares on issue 8,210 million
 Market Cap \$24.6 million

MAJOR SHAREHOLDERS

Southern Cross Exploration NL	32.1%
Mr. Mark Johnson AO	19.4%
National Nominees Ltd	15.2%

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 TO ACQUIRE COLOSSEUM GOLD MINE
IN SAN BERNARDINO COUNTY, USA

Dateline Resources Limited (ASX: DTR) (**Dateline** or the **Company**) is pleased to announce the execution of an agreement with LAC Minerals (USA) LLC (**LAC**), a wholly owned subsidiary of Barrick Gold Corporation (**Barrick**), for the acquisition of the Colosseum Gold Mine in San Bernardino County, California USA (**Colosseum**).

Highlights

- Colosseum produced approximately 344,000 ounces of gold between 1988 and 1993 from a BP Minerals calculated mining reserve of 700,000 ounces.¹
- Mining reserve calculations by BP Minerals used a 1.0g/t gold cutoff grade and estimated a 2.5g/t gold head grade.¹
- Mineralisation is primarily hosted in breccia pipes and is reported to be open at depth.
- Acquisition terms include replacement of approximately US\$757,000 in reclamation bonds and a US\$1,500,000 payment following the successful completion of a bankable feasibility study or commencement of site development for the extraction of ore.

Managing Director, Stephen Baghdadi, commented: "The Company has taken significant steps to build shareholder value in North America. Negotiations with a financial institution to obtain a US\$6.8m credit facility are at closing stage and when completed will enable the Company to advance the development of the Gold Links Project in Colorado. The acquisition of the Colosseum offers the Company a significant opportunity to develop a substantial additional resource base".

Project Location

The Colosseum is located in the southern section of the Walker Lane Trend in East San Bernardino County, California USA, 15km from the Nevada border and 75km south west of Las Vegas, Nevada.

The Walker Lane Trend hosts numerous substantial discoveries including the Corvus Gold owned 1.7 million ounce Mother Lode deposit and the 6.5 million ounce Castle Mountain gold mine owned by Equinox Gold (located 50km to the South East of Colosseum). America's only rare earths mine, the MP Materials owned Mountain Pass Mine is located 10km from the Colosseum.

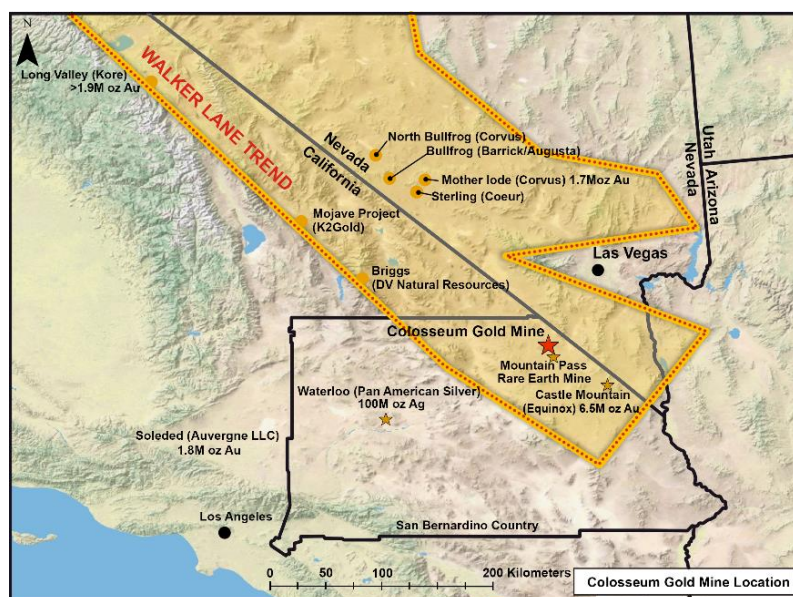


Figure 1: Colosseum location relative to other operating mines and significant discoveries

¹ BP Mineral's wholly owned subsidiary Amselco LLC carried out the historical exploration program at the Colosseum Gold Mine prior to the introduction of the JORC Code. The exploration work and reserve estimates were completed to a high standard and independently reviewed by an outside firm but cannot be relied upon for reporting mineral resources or reserves. There is no guarantee of replicating the BP Mineral's results.

Exploration Plans

Upon satisfaction of the primary acquisition terms, Dateline will gain full access to the Colosseum site and will focus its exploration efforts on the following:

1. review the historical BP Minerals exploration data to make its own determination of defined resources and likely cut-off grades;
2. conduct an aerial LiDar survey to assist in future planning;
3. undertake a geophysics program to measure the depth of the breccia pipes and the possibility that the separate pipes join up and/or link to a larger feeder system; and
4. implement a drill program to confirm the estimation of resources using BP Minerals data. The drilling will also test any defined geophysical targets at depth and the extent of mineralisation below the previously drilled depth of 333 metres (1,000 feet).

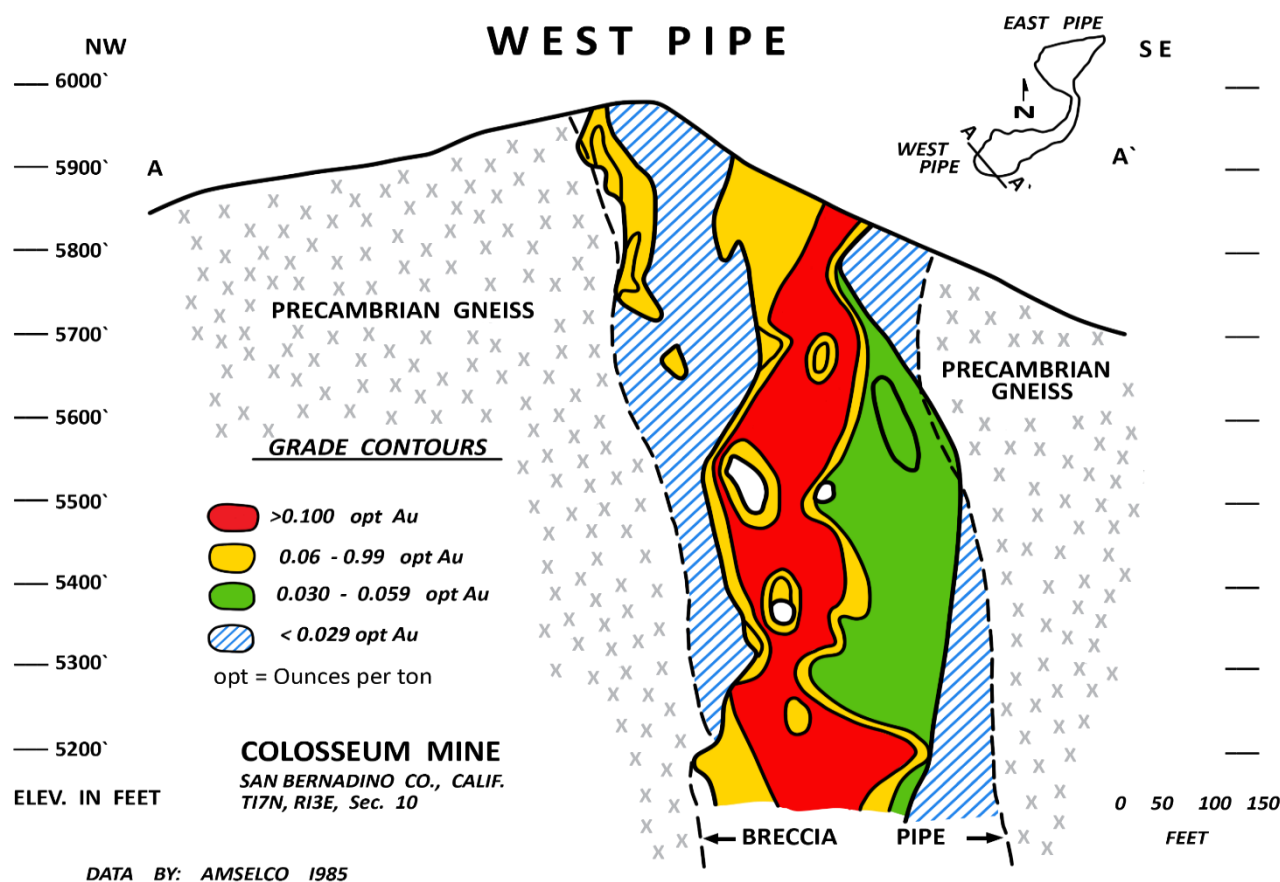


Figure 2: Schematic cross section of West Pipe grade contours within the Colosseum Gold Mine

Colosseum Background

The Colosseum Gold Mine is located in the highly prospective Walker Lane Trend and has produced approximately 344,000 ounces of gold at an estimated head grade of 2.5g/t Au.

Gold mineralisation at the Colosseum is primarily contained in two breccia pipes known as the West and East pipes. The pipes cropped out at surface as two prominent peaks with elevations of approximately 2,000 metres above sea level.

BP Minerals via its wholly owned subsidiary, Amselco Mining LLC obtained Colosseum exploration data that was compiled by Placer Amex, Homestake Mining and Draco between 1970-1978. BP Minerals undertook an exploration program at the Colosseum from 1979 to 1984.

As part of the exploration program, BP Minerals completed 166 RC and 3 diamond drill holes on a 33-metre grid. The breccia pipes were drilled to a maximum depth of 333 metres (1,000 feet) with numerous drill holes being terminated in mineralisation within the breccia pipes.

Gold production at the Colosseum commenced in 1988 under the ownership of Bond International Gold (BIG) who acquired the project from Amselco. In 1989, LAC acquired the Colosseum by taking over BIG. LAC operated the mine from 1989 to 1993. LAC ceased production and closed the mine in 1993. The price of gold was below US\$350/ounce when the Colosseum mine stopped production. LAC owned several gold mines in North America and in 1994 Barrick made a successful takeover bid for LAC.

Gold was produced from the West and East pipes and mining occurred for 4.5 years out of the planned 9 years.

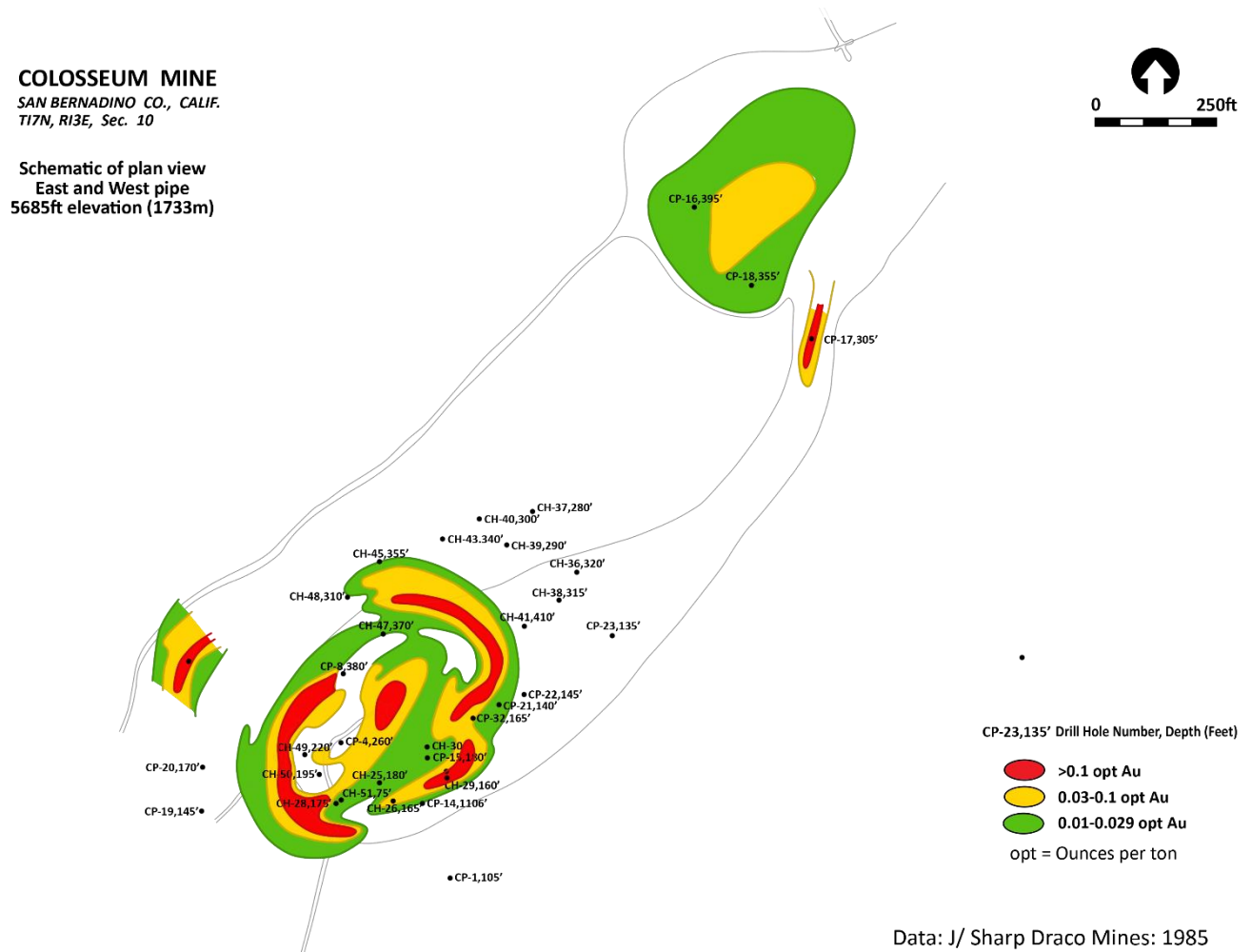


Figure 3: Schematic plan view of grade contours for East and West pipes

Acquisition Terms

Dateline has entered into a binding Agreement with LAC (**Agreement**), a wholly owned subsidiary of Barrick, for the acquisition of 100% of the Colosseum Gold Mine and will acquire 83 mining claims that host the Colosseum Gold Mine and surrounding areas, totaling approximately 1,600 acres.

The material terms of the Agreement are as follows:

- Dateline must deposit US\$500,000 (**Escrow Amount**) into an escrow account by March 21, 2021. The Escrow Amount will be released to LAC in the event Dateline terminates the Agreement or if the transactions contemplated in the Agreement do not close by the maximum allowable drop-dead date of October 21, 2021. In addition, LAC may use the Escrow Amount to defray certain costs until Dateline replaces the reclamation bonds.
- Dateline must provide the required reclamation bonds to the relevant authorities. The current amount of the bonds is US\$756,880.
- Dateline to pay Barrick US\$1,500,000 on the earlier of:
 - Completion of a bankable feasibility study; or
 - Commencement of site development for the extraction of ore; or
 - Sale of the properties.
- Barrick is entitled to a 2.5% Net Smelter Return royalty on all future production of any metals from the Colosseum Gold Mine.
- The transaction is subject to closing conditions standard for this type of transaction, including obtaining necessary corporate and governmental approvals.

Dateline has also agreed to pay the facilitators of the Colosseum transaction (each of whom are unrelated to the Company) a fee payable in the form of new securities in Dateline. Accordingly, Dateline has agreed to issue to the facilitators the following securities:

- 95 million fully paid Dateline shares;
- 150 million options exercisable into new Dateline shares at \$0.006 at any time on or before 5pm on February 28, 2022 subject to the Company obtaining regulatory approval to complete a drill program at the Colosseum; and
- 100 million options exercisable into new Dateline shares at \$0.008 at any time on or before 5pm on February 28, 2023 subject to the Company proving up an indicated resource of at least 1 million ounces of gold at the Colosseum.

Private Placement

To assist in the funding of the Colosseum acquisition and for general working capital purposes, the Company has received binding commitments from a number of sophisticated and professional investors to raise up to approximately AU\$1,000,000 via the issue of up to approximately 400 million new fully paid ordinary Dateline shares (**Placement**). New shares will be issued under the Placement at AU\$0.0025 per share, will be quoted on ASX and will rank pari passu with all other existing Dateline shares from the date of issue. The new shares to be issued under the Placement are expected to be issued by no later than 19th March 2021.

Credit Facility

The Company is also pleased to announce that it is in advanced discussions with a US-based lender for the provision of an approximately US\$6.8 million credit facility to fund part of the Company's proposed underground development and drilling program at its 100% owned Gold Links Property in Colorado, USA. Further information in relation to this credit facility and the proposed works program will be released to ASX as soon as the documentation is finalised with the lender.

Other Transactions

In addition to the acquisition of Colosseum, the Placement and ongoing discussions in relation to the credit facility (in each case, as referred to above), the Company is also proposing to:

- repeal and replace its existing constitution with a new, more modern constitution.
- consolidate its share capital pursuant to a yet to be determined consolidation ratio²;
- issue unquoted options to Non-Executive Director of the Company, Mr Francis Lannen under and in accordance with the Company's newly adopted Employee Incentive Plan³;
- issue new shares to the Company's Managing Director, Mr Stephen Baghdadi, together with a loan from the Company to fund the consideration payable for those new shares, under and in accordance with the Company's Employee Incentive Plan;
- novate the repayment obligations under a loan to Southern Cross Exploration NL (**SXX**), to Mr Mark Johnson, the Company's Non-Executive Chairman, such that the Company will owe Mr Johnson rather than SXX; and
- issue new convertible notes to Mr Mark Johnson, in consideration for the extinguishment of his existing "at call" loan to the Company.

Shareholders will be asked to approve each of these matters at a general meeting of the Company which will be called as soon as the meeting documents for that meeting have been approved by ASX and are ready to be sent to shareholders.

² The Company will release an Appendix 3A.3 in relation to the proposed capital consolidation following ASX approval of the timetable for the proposed capital consolidation.

³ For further information in relation to the Company's Employee Incentive Plan, please see the Company's notice of meeting and explanatory statement in relation to its 2020 AGM given to ASX on 30 October 2020.

Authorised by the Dateline Board.

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Forward Looking Statements

This Announcement is provided on the basis that neither the Company nor its representatives make any warranty (express or implied) as to the accuracy, reliability, relevance or completeness of the material contained in the Announcement and nothing contained in the Announcement is, or may be relied upon as a promise, representation or warranty, whether as to the past or the future. The Company hereby excludes all warranties that can be excluded by law. The Announcement contains material which is predictive in nature and may be affected by inaccurate assumptions or by known and unknown risks and uncertainties and may differ materially from results ultimately achieved.

The Announcement contains “forward-looking statements”. All statements other than those of historical facts included in the Announcement are forward-looking statements including estimates of Mineral Resources. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, copper, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of the Announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. All persons should consider seeking appropriate professional advice in reviewing the Announcement and all other information with respect to the Company and evaluating the business, financial performance and operations of the Company.

About Dateline Resources Limited

Dateline Resources Limited (ASX: DTR) is an Australian publicly listed company focused on gold mining and exploration in Colorado, United States of America. The Company owns 100% of the Gold Links Mine project located in Gunnison County.

Gold Links is comprised of several contiguous historic gold mines that have been consolidated by the Company. Gold Links has produced up to 150,000 ounces of high-grade gold (see ASX announcement 8 February 2019). Mineralisation can be traced on surface and underground for over 5km from the Northern to the Southern sections of the project. Well documented records indicate that there are large areas that remain untested at surface and little to no exploration has been done below the valley floor. The Green Mountain project is located 50km away from the Gold Links and hosts the Lucky Strike and Mineral Hill permitted gold properties and is the location of the company’s 100% owned and permitted Lucky Strike gold processing facility.

Dateline has entered into an agreement to acquire the Colosseum gold mine in San Bernardino County, California, USA. Mineralisation at the Colosseum is hosted in two breccia pipes that have been drilled to a depth of 333 metres.