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Company Announcements Office
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Exchange Centre
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Dateline strengthens Colorado gold portfolio with acquisition of Sooner Lucky Strike Mine and Mill

- **Sooner Lucky Strike Mine and processing facilities to provide Dateline with the second and only other permitted gold mine and processing facility in Gunnison County, Colorado.**
- **Complementary assets located 50km from recently acquired Gold Links Mine and Saguache Mill provides advanced route to production within an expanded project portfolio.**
- **Transaction includes 19 mining claims over ~400 acres including the historic Mineral Hill mining claims in Gunnison County.**
- **Significantly enhanced scope to deliver early cash flow in historic mineral fields with improved access to high grade gold mineralisation and quality infrastructure.**

Dateline Resources Limited (DTR) (“Dateline” or the “Company”) is pleased to announce it has entered into a non-binding agreement with the owner of the Mineral Hill and Sooner Lucky Strike Mines to acquire 100% of a second permitted gold mine and processing mill in Colorado, United States.

The proposed acquisition is for the Sooner Lucky Strike Gold Mine and 150-200tpd Mill, plus all of the freehold land and mineral rights that comprise both the Sooner Lucky Strike and Mineral Hill mining claims in Gunnison County. The transaction complements the recently acquired Gold Links Mine and Saguache Mill.

These are the only two permitted mines and mills within a 250km radius and provides an expanded footprint for growth. Dateline is considering trucking ore from the Gold Links Mine 50km to the Sooner Lucky Strike Mill, which was refurbished within the past four years and may undergo further improvements to ramp up production to 400-600tpd.

Dateline’s Chairman Mark Johnson commented: “This transaction will provide Dateline with a second permitted gold mine and processing facility with further access to highly prospective granted mining permits with compelling under explored geology that will likely underpin our immediate expansion capacity in Colorado.

We will now own 100% of the two permitted gold mines with processing facilities in Gunnison County, Colorado which is a considerable strategic advantage that will enable us to undertake aggressive exploration to support increased production with the objective of achieving near term cash flow.

All content and commentary in this announcement regarding the acquisition of Gunnison Gold Pty Ltd (and its subsidiaries CRG Mining LLC and SLV Minerals LLC) is subject to the approval of Dateline shareholders at the Annual General Meeting to be held on Wednesday 30 November 2016.



Figure 1. Aerial View of Sooner Lucky Strike Mine in Colorado



Figure 2. Existing mine infrastructure at Sooner Lucky Strike Mine



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Transaction Terms

Subject to the satisfactory outcome of Due Diligence, Dateline has agreed to complete the acquisition of Sonner Lucky Strike by April 2017 on the following terms,

1. Issue of 28,250,000 DTR shares to vendor,
2. Payment of USD125,000 in cash,
3. Payment of up to USD120,000 post completion but prior to April 2018,
4. Payment of USD4,000,000 in quarterly instalments of USD250,000 starting April 2018,
5. Payment of ~USD9,500,000 in April 2022,
6. Production Royalty capped at USD10,000,000,
7. All payment obligations are secured over the assets being acquired on a non-recourse basis to DTR.

Logic for the transaction

1. On completion, DTR will own the Saguache Mill and the Sooner Lucky Strike Mill, which are the only two mills within a 250km radius and currently have a combined capacity of 250tpd,
2. DTR will own the only two permitted Gold Mines in Gunnison County,
3. The Sooner Lucky Strike Mill sits in closer proximity to the Gold Links Mine which will reduce cartage charges,
4. The Sooner Lucky Strike Mill was completely refurbished 4 years ago ahead of any exploration work to identify ore,
5. Plans to upgrade the Sooner Lucky Strike Mill to 4-600tpd over time,
6. The Sooner Lucky Strike and Gold Links have historically been high grade underground mines,
7. Both the Gold Links and the Sooner Lucky Strike Mine have known multiple veins and are under explored,
8. The structure of the transaction allows DTR to focus on the more advanced Gold Links Mine to provide ore for the Sooner Lucky Strike Mill.

Location

The Sooner Lucky Strike Mine and Mill is in Gunnison County, Colorado at an elevation of approximately 9000 feet (ft.) (~2,750 metres) above mean sea level (amsl). The town of Gunnison, located approximately eight miles (13km) to the northwest, is at an elevation of approximately 7,700ft (~2,350 metres). This is an established gold mining district with an effective mining code and low sovereign risk.

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Geology/History

The Sooner Lucky Strike high grade veins were discovered in 1895 in the Green Mountain (Iris) Mining District. The primary commodity being explored for is gold, although silver mineralisation has also been developed as a by-product of gold mining. Copper, tellurium and zinc have also been documented as tertiary deposits at the mine.

The geology is compelling and historic workings are well documented. Proterozoic volcanics and sediments are folded, metamorphosed and intruded by granodiorite and diorite as well as gabbro dykes and sills. Mineralisation occurs as veins of quartz, carbonate and sulphide (pyrite, galena) within a gabbro sill.

The Sooner Lucky Strike Mine is developed by two shafts and several drifts. The older of the two shafts is 4 feet by 8 feet in section and 170 feet deep, slightly inclined to the southwest along the vein. The first level is developed at 50-foot depth by a 75-foot long drift and stopes. The second level at the bottom of the shaft is developed by 125-foot long drift to the southeast and a 190-foot long drift to the northwest. The second shaft, located 450 to 500 feet northwest of the first and on the vein, is 25 feet deep with a 100-foot long drift developed at its base.

For more information, visit: www.datelineresources.com.au

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