

**DATELINE RESOURCES
LIMITED**

(ACN 149 105 653)

ASX Code: DTR

CAPITAL STRUCTURE

Share Price (25/07/23)	\$0.025
Shares on issue	856.9 million
Market Cap	\$21.4 million

MAJOR SHAREHOLDERS

Mr. Mark Johnson AO	14.19%
Southern Cross Exploration N.L	11.18%
HSBC Custody Nominees	6.26%
Stephen Baghdadi	5.47%

**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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JUNE 2023 QUARTERLY ACTIVITIES REPORT

Dateline Resources Limited (ASX: DTR) (Dateline or the Company) is pleased to provide an update on its activities for the June 2023 quarter.

HIGHLIGHTS**Colosseum**

- Diamond drilling testing below the existing mineral resource returned a bonanza intercept of 63.2 metres at 10.28g/t Au, including a higher-grade zone of 23.5 metres at 21.8g/t Au.
- The eight-hole drilling program continues with results expected over the coming quarter.

Gold Links Gold Mine

- The Company entered into an agreement to sell the Gold Links and Lucky Strike mill to MW Sorter LLC (MW). Previously, the Company had announced a planned toll treatment and joint venture with MW, however the sale structure is a simpler outcome, reducing Dateline's ongoing liabilities and allowing the Company to focus on its Californian exploration program.
- Under the sale agreement, Dateline is to receive up to A\$12 million in cash payments and the novation of A\$17.75 million in liabilities to the seller.
- The US investors have agreed to acquire a 5% interest in Dateline via take up of the rights issue shortfall.

New Project Acquisition – Argos Strontium Deposit

- Post-quarter end, the Company announced that it had acquired an 80% interest in the Argos Strontium Deposit in California.
- Strontium is a key component of ferrite permanent magnets, with major EV manufacturers exploring their use in mass-market EV deployment.

Commenting on the events during the quarter, Dateline's Managing Director, Stephen Baghdadi, said:

"The announcement of the sale of Gold Links during the quarter provides certainty and a renewed focus on California as we ramp up activities at Colosseum. The cash and balance sheet benefits allow us to maximise on the exciting gold and REE results.

"The first hole at Colosseum produced a n encouraging result that is significantly higher than the average mineral resource grade, offering excellent upside. The rig will continue to test the gold and REE targets over the coming months.

"Finally, the Argos project acquisition offers us increased exposure to the US EV sector, where demand for all EV-related commodities is soaring."

Colosseum Gold Mine, California

During the June quarter, the Company commenced diamond drilling at Colosseum, with results from the first hole announced during the quarter¹.

The Company received initial assay results from the upper part of the first diamond drill hole, CM23-08, drilled at the Colosseum Mine in San Bernardino County, California, USA that includes a 63.2 metre intersection of 10.28 g/t gold from 91.15m downhole. This intercept includes a higher-grade section of 23.5m @ 21.8g/t Au.

The current drill program builds on the success of the drilling in mid-2022, where drillhole CM22-05 intercepted 100.6m @ 4.16g/t Au from 79.24m downhole².

Pleasingly, higher grades intersected in both this year and last year's drill holes, are significantly higher than the average Mineral Resource³ grade of 1.2g/t Au (813,000oz).

Mineralisation at Colosseum is hosted within two near vertical breccia pipes, with historical drilling intersecting the West pipe at ~1,000m vertical depth below the starting surface. The existing open pit is at 1,621mRL (208m below the starting surface), the Mineral Resource estimate extends to 1,493mRL (128m below the pit), whilst this current drill program proposes to test targets down to 1,417mRL, ~75m below the base of the Mineral Resource estimate.

The drilling program comprises eight diamond drillholes targeting areas within the mineral resource model that have low drill density as well as below the Mineral Resource model to add additional tonnes and ounces. The results of this program will be used to update the Mineral Resource estimate.

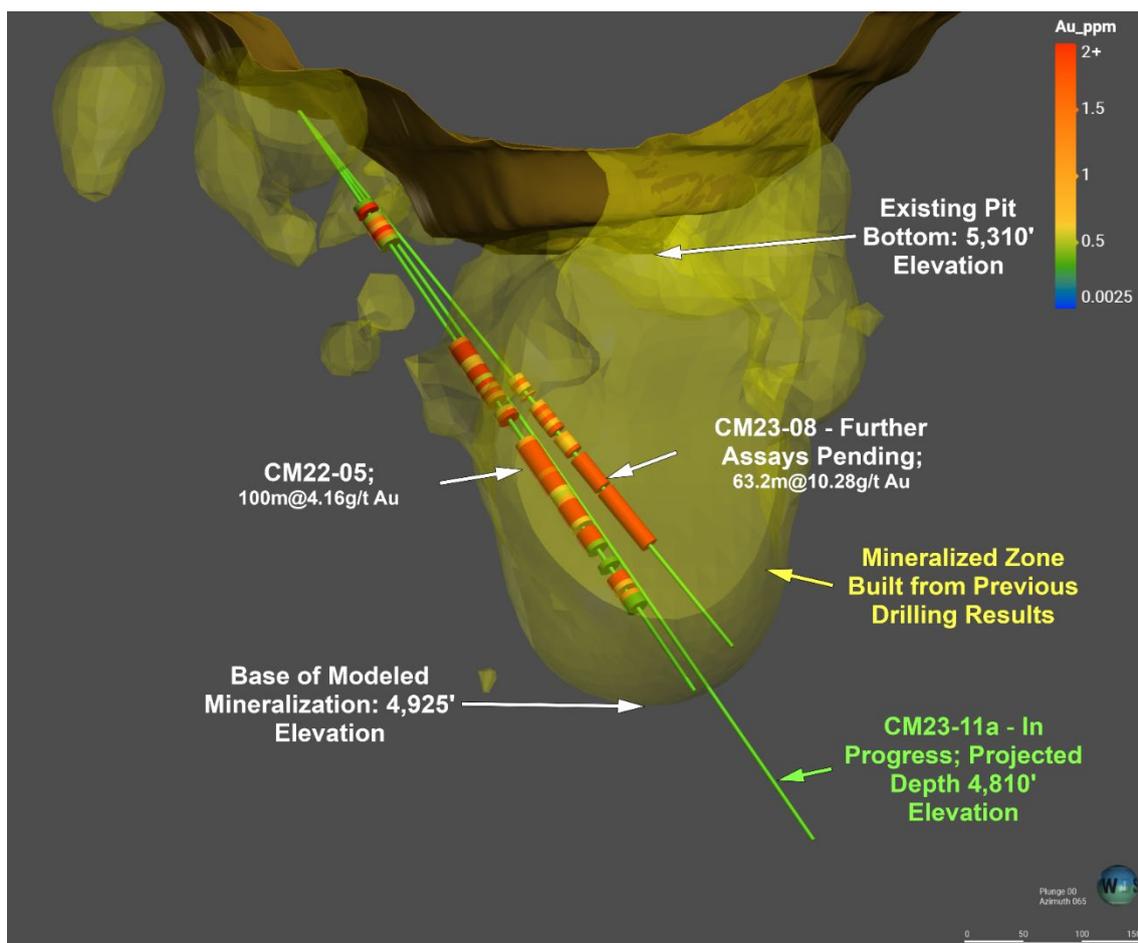


Figure 1: Cross section showing the existing pit, mineral resource blocks and new drill intercept. Elevation numbers are in feet. Hole CM23-08 still has assays pending for bottom section of drillhole.

¹ ASX Announcement 19 June 2023 – Bonanza intercept at Colosseum – 63.2m @ 10.28g/t Au

² ASX Announcement 6 June 2022 – 100m @ 4.16g/t Au Colosseum Gold Project

³ ASX Announcement 6 July 2022 – 813,000oz Gold Maiden Resource at Colosseum



Figure 2: Photo of high-grade core with gold grades outlined

Second Drillhole – CM23-11a

The second hole in the current drill program, CM23-11a, was nearly completion at the end of the quarter and intersected over 36 metres of the same rock type with favourable looking mineralisation that resembles that of CM22-05 and sections of CM23-08 (see Figure 3). These favourable zones are currently being processed by the laboratory with results expected shortly.



Figure 3: Photo comparing CM23-08 (top) to CM23-11a (bottom) demonstrating comparable core intersected in both drillholes

Sale of Gold Links Gold Mine, Colorado

During the quarter⁴, the Company announced that it had executed a sale agreement to divest the Gold Links mine and Lucky Strike mill, both located in Colorado.

Dateline has executed a binding agreement with MW Sorter LLC (MW) for the sale of Gunnison Gold Pty Ltd, the entity that owns all of the Colorado assets including the Gold Links and Lucky Strike mill. Consideration for the sale will be paid in accordance with the details below and transfer of ownership will take place after regulatory approval has been obtained. The transaction values and payment schedules are listed below and are not affected by the timing of any regulatory approval process.

Cash Consideration

1. US\$325k (A\$500k) cash payments received to date.
2. US\$500k (A\$770k) on August 7, 2023
3. US\$500k (A\$770k) on October 6, 2023
4. US\$500k (A\$770k) on December 5, 2023
5. US\$450k (A\$690k) on February 3, 2024

Performance Payments

1. US\$2 million (A\$3.08m) cash upon the production of the first ounce of gold at the Lucky Strike mill.
2. US\$500k (A\$770k) cash upon the production of 500 ounces of gold in a continuous seven (7) day period at the Lucky Strike mill.
3. US\$1 million (A\$1.54m) cash upon the production of 2,000 ounces of gold in a continuous seven (30) day period at Lucky Strike mill.
4. US\$2 million (A\$3.08m) cash upon the production of 32,000 ounces of gold in a continuous twelve (12) month period at the Lucky Strike mill.

Novation of Liabilities

1. Bank liabilities of approximately US\$9.6 million (A\$14.77m) will remain with the USA subsidiaries of Gunnison Gold Pty Ltd. Dateline will have no further obligations to service or repay that debt.
2. Approximately US\$2.2 million (A\$3.4m) in trade creditors and equipment lease liabilities will remain with the USA subsidiaries of Gunnison Gold Pty Ltd. Dateline will have no further obligations to service or repay those amounts.
3. Dateline will have no ongoing obligations for any environmental or other commitments

Guarantees for Payment

MW is owned by a consortium of high net worth USA investors. An affiliated company, MW Sorter Pty Ltd (MWSA), has been established in Australia and has agreed to purchase a 5% holding in Dateline via shares that were available as part of the recent Rights Issue shortfall.

MWSA has provided a guarantee to Dateline for the performance of the obligations of MW pursuant to the Gold Links. Should MW fail to perform in any of its payment obligations including failure to obtain regulatory approval. MWSA has agreed to pay to Dateline the sum of USD6.275 million (A\$9.43m) less any amounts already received by Dateline from MW.

Dateline has the option to Put Performance Payments 2, 3 and 4 to MWSA for US\$2 million (A\$3.08m) once MW has produced a total of 2,000 ounces of gold from the Lucky Strike mill.

⁴ ASX Announcement 13 June 2023 – Dateline executes binding agreement for the sale of Gold Links

NEW PROJECT ACQUISITION – ARGOS STRONTIUM DEPOSIT

Post the end of the quarter⁵, the Company announced that it had entered into an agreement to acquire an 80% interest in the Argo Strontium Deposit in California.

The Company executed a binding term sheet with Western Strontium to acquire an 80% interest in the Argos Strontium Project located approximately 100 kilometres from its flagship Colosseum Gold and Rare Earths project in San Bernardino California.

Ferrite permanent magnets that use Strontium have recently been increasingly viewed as a possible low-cost replacement for Neodymium-based permanent magnets in electric vehicle motors. Dateline is specifically interested in strontium's application in the future of permanent magnets for EV car manufacture, in particular where carmakers are looking to meet increased EV demand with lower cost options that are suitable for mass-market deployment.

Strontium was discovered at Cady Mountains in the early 1900's, with first recorded production from the area from 1916-1918. Mining continued through to 1959 with the largest production from the Rowe-Buehler Mining Company on an area owned by the DuPont company and known as the Argos Zone. At present there is no operating strontium mine or strontium carbonate production facility in the USA . The Argos deposit is comprised of four patented mining claims that cover 75 acres and is considered to be the largest strontium deposit in the USA.



Figure 4: Google Earth view showing the four patented mining claims that make up the Argos Strontium Project with outcrop of celestite, the mineral that contains strontium



Figure 5& 6: Argos Trench, looking west and historical celestite workings

⁵ ASX Announcement 5 July 2023 – Dateline acquires 80% interest in Argos Strontium Deposit, San Bernadino, California

CORPORATE

Cash and Cash Equivalents

At the end of the quarter, the Company had cash and cash equivalents of A\$932k

Litigation

The Company has settled all litigation matters with PAC Partners.

Listing Rule 5.3.5

Salary payments were made to a Director during the quarter amounting to \$162k.

SEPTEMBER QUARTER – PLANNED ACTIVITIES

During the September quarter, the Company intends to undertake the following activities:

Colosseum

- Continue drilling depth extensions to 813,000oz Gold Mineral Resource
- Drill testing of high priority rare earth targets at Colosseum

Gold Links

- Finalise completion of the sale

Argos Strontium

- Rock chip sampling and assaying
- Preliminary research and planning

This announcement has been authorised by the Board of Dateline Resources Limited.

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About Dateline Resources Limited

Dateline Resources Limited (ASX: DTR) is an Australian publicly listed company focused on mining and exploration in North America. The Company owns 100% of the Colosseum Gold-REE Project in California.

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 at Colosseum.

Dateline has recently executed a binding term sheet for the acquisition of an 80% interest in the Argos Strontium project and is moving towards concluding formal due diligence and finalizing of legal documentation.

Competent Person Statement

Sample preparation and any exploration information in this announcement is based upon work reviewed by Mr Greg Hall who is a Chartered Professional of the Australasian Institute of Mining and Metallurgy (CP-IMM). Mr Hall has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration 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 Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Hall is a Non-Executive Director of Dateline Resources Limited and consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.