

DATELINE RESOURCES  
LIMITED

(ACN 149 105 653)

ASX Code: DTR

## CAPITAL STRUCTURE

Share Price (4/7/23) \$0.027

Shares on issue 856.9 million

Market Cap \$23.13 million

## MAJOR SHAREHOLDERS

|                               |        |
|-------------------------------|--------|
| Mark Johnson                  | 14.19% |
| Southern Cross Exploration NL | 11.18% |
| HSBC Custody Nominees         | 6.26%  |
| Stephen Baghdadi              | 5.47%  |

DIRECTORS &  
MANAGEMENTMark Johnson AO  
ChairmanStephen Baghdadi  
Managing DirectorGreg Hall  
Non-Executive DirectorTony Ferguson  
Non-Executive DirectorBill Lannen  
Non-Executive DirectorJohn Smith  
Company Secretary

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DATELINE ACQUIRES 80% INTEREST IN  
ARGOS STRONTIUM DEPOSIT  
San Bernardino, California

## Highlights

- Dateline Resources will secure an **80% stake in the Argos strontium deposit**
- The Argos deposit is the **largest known strontium deposit in North America**
- The **DuPont Company** produced high-grade strontium from the Argos deposit until 1959.
- **Strontium is a key component of Permanent Ferrite Magnets**
- **Electric Vehicle (EV) manufacturers** have been exploring the use of high-performance permanent ferrite magnets for use in EVs, with particular focus on identifying low-cost options suitable for mass-market deployment.
- Additional exploration work to test the lateral and vertical extent of the deposit is being planned.

**Dateline Resources Limited (ASX:DTR) (Dateline or the Company)**, a gold and rare earth elements explorer, is pleased to announce it has executed a binding term sheet with Western Strontium to acquire an 80% interest in the Argos Strontium Project located approximately 100 kilometers 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<sup>3,4,7</sup>.** 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.

### Commenting on the project, Stephen Baghdadi, Managing Director of Dateline said:

*"The acquisition of an 80% stake in the Argos strontium project is complementary to the Colosseum mine and enhances our exposure to multiple elements crucial for the production of high-performance permanent magnets, an essential component of EVs.*

*"Major US carmakers, including Tesla, as well as EV magnet manufacturers, including Hitachi, are diversifying their production of permanent magnets for EV motors due to increasing costs, limited future supply and a concentration of REE processing and magnet production in China.*

*Lower cost, high-performance ferrite magnets contain strontium carbonate, and these will present an attractive solution to fulfilling growing global EV demand".*

## Argos Strontium Project Area and History

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<sup>5</sup>.

At present there is no operating strontium mine or strontium carbonate production facility in the USA<sup>1,2</sup>. 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<sup>5</sup>**.



Figure 1: Google Earth view showing the four patented mining claims that make up the Argos Strontium Project



Figure 2 Google Earth view showing proximity of road (yellow) and rail (black) to the Argos Strontium claims.

The Argos deposit exhibits strontium mineralisation primarily in the form of celestite, a lustrous mineral with a silvery-grey appearance.



Figures 4 & 5: Argos Trench, looking west and historical celestite workings (Source Gregg Wilkerson, April 2021)<sup>5</sup>

## Acquisition Terms

Dateline and Western Strontium have agreed to establish a new entity (Newco) to hold the four patented claims that comprise the Argos Strontium Project. The consideration payable to Western Strontium for the 80% interest that Dateline will own in Newco is as follows:

### Shares & Options

- Five million ordinary shares in Dateline Resources Limited
- Ten million, three year unquoted options, allowing Western Strontium to purchase ordinary shares at 3 cents per share.

The above shares and options will be made available from Dateline's existing share capacity under Listing Rule 7.1

### Cash Payments

- USD \$100,000.00 payable 90 days from date of completion (First Payment Date);
- USD \$150,000.00 on the date that is six months from the First Payment Date;
- USD \$150,000.00 on the date that is 12 months from the First Payment Date;
- USD \$150,000.00 on the date that is 18 months from the First Payment Date.

Western Strontium will maintain a 20% carried interest in the project via its 20% shareholding of Newco.

## Conditions Precedent:

Completion of the transaction is subject to the following conditions precedent being met or waived in writing by both parties on or before September 2, 2023:

- Dateline's completion of legal, financial, environmental, regulatory, and technical due diligence investigations in relation to Western Strontium, its assets, liabilities, and claims, and the Proposed Transaction, all to Dateline's sole satisfaction, acting reasonably;
- Execution by the parties of a definitive purchase agreement and the execution and/or filing of such other ancillary agreements or documents as are required to close the Proposed Transaction and transfer the Assets; and
- The receipt of required third party approvals, consents, and/or assignments, including without limitation all required governmental, regulatory, and other third-party consents and approvals customary for transactions of this nature.

## Next Steps

As part of the due diligence process, Dateline collected a number of rock chip samples from outcrops at Cady Mountains. Whilst these results gave the Company sufficient confidence to proceed with the acquisition, the results are still in the process of being fully analysed and compared against the geological logging.

It is expected that these results will be announced in the near term. Following the full analysis of the results, the Company will liaise with the County of San Bernardino and the Bureau of Land Management to obtain the requisite approvals for an exploration program that includes reverse circulation (RC) drilling to assess the strike and depth extent of mineralisation.

Dateline will work towards commencing the exploration program in H2 2023.

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

### For more information:

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## References

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3. Adamas Intelligence – Tesla announces next generation Rare Earth-free PMSM - <https://www.adamasintel.com/tesla-rare-earth-free-motor/>
4. Hitachi Metals Press Release, December 9, 2022 - Proposing High-Performance Ferrite Magnets for xEV Traction Motors
5. Argos Strontium (Celestite) Mine, Cady Mountains, San Bernardino County, California – Gregg Wilkerson, 2020
6. Hewett, D.F., Eugene Callaghan, B.N. Moore, T.B. Nolan, W.W. Rubey and W.T. Schaller, 1936, Mineral resources of the region around Boulder Dam: U. S. Geological Survey Bulletin 871, 197 p. See pp. 155-157.
7. Youtube: Tesla's Rare Earth Free Motor - <https://youtu.be/DdEjfy4xti4>

## 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.

### **Forward-Looking Statements**

This announcement may contain "forward-looking statements" concerning Dateline Resources that are subject to risks and uncertainties. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Dateline Resources' ability to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. Dateline Resources cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking statements. Dateline Resources assumes no obligation and does not undertake any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.