



Dateline rolls the dice in Vegas to join million-ounce club

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Highlight: Dateline **Resources** has kicked the door in as the latest entrant to the million-ounce gold club at its Colosseum gold and rare earths project near Las Vegas.

Body

Dateline **Resources** has kicked the door in as the latest entrant to the million-ounce gold club on the ASX having last month tabled a 1.1 million-ounce **resource** running 1.26 grams per tonne gold at its Colosseum gold and rare earths project near Las Vegas.

Notably, the company says the **resource** still has plenty of legs and unusually, it also shows signs of rare earths in a region that is revered for the scale and grade of the precious metals.

True, the rare earths and lithium markets may have taken a breather recently, but gold is still shining brightly. And now, the AU\$12 million market-capped Dateline **Resources** appears well-placed to ride the precious yellow metal's run, while at the same time appearing also to be poised to capture the blue-sky potential of rare earths into the future.

The Colosseum project in California is unusual in that it is clearly well-endowed with gold, but intriguingly, may also contain substantial rare earths. It sits just down the road from the United States' only rare earths mine of any scale, the Mountain Pass mine that is owned by Nevada-based MP Materials and which has been the talk of the town for more than half a century as one of the world's highest-quality rare earths deposits.

Production at the carbonatite-hosted Mountain Pass mine started in 1952 with a mind-boggling grade of 7 per cent total rare earths. It supplied most of the world's rare earths from the 1960s to the 1990s and sits in the same geological setting as Dateline's Colosseum project, less than 10km away.

Dateline acquired the Colosseum mine from Barrick Gold in March 2021 after that company had mined 344,000 ounces of gold at the site from two open pits between 1988 and 1993. Production then ceased when the gold price slumped to about US\$350 (AU\$524.15) an ounce. Now, that price sits in stark contrast to the recent price highs that topped US\$2450 (AU\$3669) per ounce.

The company's strategy to acquire historically mined projects that may still have more to give is a tried-and-tested one amongst ASX hopefuls.

In the early days before becoming an AU\$15 billion heavyweight gold producer, Northern Star **Resources** picked up several "non-core" Barrick mines jettisoned by that gold giant around 2014 that went on to deliver serious gold ounces. And in a more recent example of renewed exploration success at old projects, Spectrum **Resources** share

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price got all stratospheric after that company hit the sister lode of the previously mined-out Penny West deposit in WA just 300m away before the company was collared by **Ramelius Resources** in February 2020 for Au\$228 million.

Since its Colosseum acquisition, Dateline has reconstructed nearly 60,000m of historical drilling and recently rolled out successful depth extensional drilling to tie together the now 27.1 million-tonne, 1.26g/t gold **resource** for the 1.1 million ounces.

Importantly, the higher-confidence measured and indicated portion of the **resource** now sits at 736,000 ounces, or 67 per cent of the total **resource** - and some of those ounces are even going more than 3g/t gold.

By any measure, Colosseum boasts some exceptional drill intersections that are not readily found, even in some of the better-known projects. Recent drilling also shows some remarkable grades and thicknesses including a substantial 100.6m hit weighing in at 4.16g/t gold from 79m and 76.2m at 8.62g/t from 91m including a 23.5m section going a stunning 21.8g/t. Another 70m intercept came in at a very respectable 6.53g/t gold.

If those intersections were discovered in Western Australia's Eastern Goldfields, they would be considered company-makers by the hardened punters that frequent the coffee shops of West Perth.

And while 100m intersections exceeding 4g/t gold is remarkable in its own right, for a company that also boasts blue sky rare earths opportunity and a market cap under \$20 million, Dateline is a rare breed indeed.

In addition, management also believes there remains considerable upside at Colosseum for significant underground ounces to be hosted in two high-grade breccia pipes, both of which were historically mined in open pits, one to 245m and the other to 90m. In fact, the company is looking to prove up its theory that the two breccia pipes may link up at depth.

While the current mineral **resource** now extends to 300m below surface, it is also understood that a couple of wildcat holes drilled in the area in 1972 by then-operator Draco Mines intersected the high-grade breccia units at almost 1000m below the surface. The history sets the scene nicely for what could potentially be lurking at depth, underlining Dateline's theory that the two pipes could join.

Colosseum is in good company, too, sitting within California's Walker Lane trend - the host of multiple substantial discoveries including Equinox Gold's 6.5 million-ounce Castle Mountain gold mine and the 1.7 million-ounce Mother Lode deposit.

Dateline **Resources** managing director Stephen Baghdadi said: "As 736,000 ounces out of the total mineral **resource** estimate of 1.1 million ounces of gold are measured and indicated, the company will now commence mining studies to determine what material can be mined in the most suitable and economically-viable way."

The company is currently considering three potential options for mining Colosseum. The most likely is to use existing infrastructure to lower costs in a bulk mine scenario for both breccia pipes by expanding the two pits into one big pit ahead of underground mining.

It recently announced a \$4.2 million non-renounceable rights issue to fund a mining study and determine the best development options for Colosseum.

Baghdadi is also clearly convinced by the project and will tip in, from his own pocket, \$570,000 into the offer, in addition to underwriting a further \$177,000 for a total commitment of \$747,000. Non-executive chairman Mark Johnson will also take up his full entitlement of in excess of AU\$800,000 by way of converting outstanding debt to equity in Dateline.

Johnson is no slouch when it comes to investment markets either. He founded Hill Samuel Australia, which grew into Macquarie Bank and he was then the deputy chairman of the uber-successful merchant bank up until 2007.

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The global gold price remains strong and some analysts are even proposing a record US\$3000 (AU\$4505) per ounce target by next year. There is also a school of thought out there that rare earths are just taking a breather and the tide is likely to come back in again for both rare earths and lithium as the global electric vehicle (EV) market starts to hit its straps.

Colosseum is about gold for now, but the early warning signs of rare earths at the project just might represent a neat bit of future blue sky for Dateline.

The signs include rocks surrounding the breccia pipes at Colosseum showing remarkably similar geological features to the nearby Mountain Pass mine, the highest-grade rare earths mine on the planet. They also show the two geological structures were likely formed at the same time.

"Fenites" and "trachytes" are both rock types typically associated with carbonatite complexes that are generally prevalent at some of the big hard rock rare earths discoveries around the world. Both have been mapped at Colosseum.

Dateline also says a high-density margin outlined by geophysical modelling that lies directly adjacent to the gold rich breccia pipes at Colosseum could be the edge of a rare earths-infused carbonatite body similar to the one at the Mountain Pass mine up the road.

The dense units have been identified over 2.5km of strike and at widths of between 75m and 125m.

A "Petrographic" and "cathodoluminescence" analysis also pointed to similarities with Mountain Pass, providing another useful clue in the search for rare earths at Colosseum.

Late American stock market player Marty Zweig was once said to have mused that "the trend is your friend until the end when it bends". And while nobody can foresee a bend in the gold market right now, if one does eventually come, Dateline is not only building a serious gold endowment, it may also be well-placed to jump onto the EV juggernaut as well if its theory about Colosseum also harbouring rare earths checks out.

It could be a nice one-two combination for what is still a sub-AU\$20 million market-capped company.

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