

Dana Evaluating Several Producing Silver Mine Acquisitions



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Dana Resources looking to Acquire Peruvian Silver Mines

February 16, 2010 Las Vegas, Nevada. (OTCBB: DANR) (FRA: OD0)
Dana Resources is a US-based precious metals development company with advanced stage gold and base metal properties in Peru. Management is pleased to announce progress on evaluating several potential silver acquisitions.



Dana Resources is evaluating several opportunities in the silver sector in Peru. The company is looking for assets in production where it could make an investment in existing production situations to increase

capacity to take advantage of current metal prices. The company is looking at three specific acquisitions.

Prospect one is a small scale Silver-Lead-Zinc mine. Dana believes with a minimum investment it could increase production from 50 tons per day to over 250 tons per day within 12 months time. Head grades are 25 oz/ton Ag, 7% Pb, 7% Zn and 2 grams/ton Au. Using the following numbers Dana could achieve the following cashflows.

Commodity	Amount / ton	Price	Total
Silver	25 ounces	\$18	\$450
Lead	140 lbs	\$0.50	\$70
Zinc	140 lbs	\$0.80	\$112
Gold	2 grams / ton	\$35	\$70
		Grand Total	\$702

Assuming an 80% recovery rate and a processing cost of \$250 per ton, the company would be looking at an initial profit just under \$6 million per annum on the initial 50 tons/day. Due diligence is ongoing.

Prospect number two is located in the Huancavelica Region. There is over 50 years of silver production in the area. The Huachocolpa Mine has produces approximately 25 million ounces of silver and the Julicani Mine produced approximately 80 million ounces. Major companies in the area include TSX listed companies Pan American Silver and Buenventura. Due diligence is ongoing.

Prospect three is an exploration project with several drill intercepts indicating a low-grade bulk tonnage deposit. Initial calculations by our geologist have indicated up to 30 million ounces of silver, although not in production yet, it could be brought into production in a short period of time with minimal capital expenditures.

The company continues with due diligence and hopes to conclude a transaction in the next several weeks.

Mr. Len DeMelt states, "Dana has implemented a plan to acquire producing precious metal assets in order to generate cashflows to leverage the current buoyant commodity prices. Our strategy is to

acquire mines which initially require relatively small investments to increase production levels”.

About

Dana

Resources

Dana Resources is a precious and base metals exploration company with offices in the United States and Peru. Dana’s management team possesses local knowledge, extensive international connections, a wealth of experience and technical expertise in mining, mining finance, exploration and production. Dana Resources has acquired a portfolio of gold, silver and other precious & base metal properties located in Peru’s most prolific mining regions.

With Peru growing as a producer of gold, silver and other metals on the international market, Dana Resources is well positioned to capitalize on the escalating global demand for commodities. The management team and Directors are committed to creating value for their shareholders and to the long-term success of Dana Resources.

The statements contained herein which are not historical are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward- looking statements, including, but not limited to, certain delays beyond Dana Resources control with respect to the commencement of drilling operations, concentration in mineral deposits, delays in testing and evaluation of ore samples, and other risks detailed from time to time in Dana Resources’ filings with the Securities and Exchange Commission.

[Dana Resources Research Report - Spencer Davison.doc](#)

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