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DATELINE RESOURCES LIMITED

A.C.N. 149 105 653

FINANCIAL REPORT to SHAREHOLDERS

for the HALF YEAR ENDED

31 DECEMBER 2017

Directors & Officers

Mark Johnson AO - Chairman
Stephen Baghdadi - Executive Director
Greg Hall - Non-Executive Director
John Smith - Company Secretary

Registered Office

Level 29
2 Chifley Square
Sydney NSW 2000

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South Hurstville NSW 2221

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F: +61 (02) 8231 6487
E-mail: info@datelineresources.com.au
Website: www.datelineresources.com.au

Securities Exchange

Australian Securities Exchange Limited ("ASX")
Home Exchange – Sydney
ASX Symbol – DTR (ordinary shares)

Australian Company Number

ACN 149 105 653

Australian Business Number

ABN 63 149 105 653

Bankers

Commonwealth Bank of Australia
48 Martin Place
Sydney NSW 2000
Website: www.commbank.com.au

Auditors

HLB Mann Judd
Level 19, 207 Kent Street
Sydney NSW 2000
Website: www.hlb.com.au

Share Registry

Security Transfers Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Website: www.securitytransfer.com.au

Solicitors

K & L Gates
Level 31, 1 O'Connell Street
Sydney NSW 2000
Website: www.klgates.com

Domicile and Country of Incorporation

Australia

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DATELINE RESOURCES LIMITED
 DIRECTORS' REPORT
 FOR THE HALF YEAR ENDED 31 DECEMBER 2017

The Directors present their report of Dateline Resources Limited ("the Company") for the half year ended 31 December 2017 ("the Period").

1. DIRECTORS

The names of the Company's Directors in office during the Period and until the date of this report are set out below. Directors were in office for this entire Period unless otherwise stated.

Director / Position	Duration of Appointment
Mr. Mark Johnson AO Chairman	Appointed 22 April, 2013
Mr. Stephen Baghdadi CEO and Executive Director	Appointed 3 July, 2014
Mr. Greg Hall Non-Executive Director	Appointed 19 January 2016

2. COMPANY SECRETARY

The Company Secretary role was held by the following individual during the half year:

- Mr. John Smith (appointed 24 October 2013).

3. PRINCIPAL ACTIVITIES

Dateline Resources Limited is an Australian publicly listed company focused on gold mining and exploration in Colorado, United States of America. The Company owns 100% of two, permitted gold mining projects in Colorado. The Lucky Strike Mine and Mill is located in Gunnison County and was discovered in 1885. Two shafts were developed at the project and a processing mill on site is being refurbished and upgraded by DTR. The Gold Links Mine, also in Gunnison County, is located ~50kms from Lucky Strike and forms part of Colorado's Gold Creek district. Two separate vein systems have been mined on the property, Sacramento and the 2150. 2150 has over 600 metres of mineralisation across a +700-metre development drive. Historical gold grades ranged from 1.5 oz p/t to 10 oz p/t Au. Ore mined by DTR will be processed at the Lucky Strike Mill. In addition to these assets, Dateline owns a small 25tpd mill and freehold land in Saguache County in Colorado. The company is reviewing its interests in Fiji with a view to identifying a JV partner that would enter a farm in agreement on its Fijian assets.

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4. REVIEW OF OPERATIONS AND ACTIVITIES

Tenement Schedule

Project	Number	Ownership	Location
Udu	SPL1387	100%	Fiji
Udu	SPL1396	100%	Fiji
Udu	SPL 1506	100%	Fiji
Udu	SPL 1507	100%	Fiji
Gold Links Mine	34 Patented Claims	100%	Colorado USA
Gold Links Mine	20 Unpatented Claims	100%	Colorado USA
Lucky Strike Permitted Mine and Mineral Hill Historic Mine	16 Patented Claims	100%	Colorado USA

Gold Links

Development and Exploration

During the December 2017 quarter, the company revised the plan to develop the decline to reach an existing raise and create a second means of egress. The revised plan requires the installation of a new escapeway rather than the rehabilitation of the existing raise and will lessen the distance of decline development.

The development of the decline has progressed and is approximately 20 metres away from the site where the new second escapeway will be installed. Under Mine Safety and Health Administration (MSHA) rules no mining can take place until a second method of egress is established.

An exploration program includes channel sampling and close spaced drilling from underground was commenced in the September quarter of 2017, continued throughout the December Quarter. The objective of this program is to get an understanding of the distribution of grade in a 100metre section of approximately 3000sqm area the Company has targeted for near term exploration and development.

This program is expected to be completed by mid-February 2018 at which stage the data will be analysed and the company will advise the market of the outcome of the program.

Permitting

The Colorado Department of Health has approved our permit application for the loading of ore at surface. Prior to obtaining approval, all ore that was planned to be used in the commissioning of the Lucky Strike Mill had to be loaded underground.

Compliance

MSHA (The US Mine Safety and Health Administration) conducted their quarterly site visit and no citations were issued.

Sacramento

A desktop review of the historical exploration data that was conducted by Ivory Oil in the 1980's has led to the development of a surface drilling program to test the existence of the Sacramento vein to 100ft below the last known workings and to twin (replicate) the unverified results reported by Ivory Oil of drill hole DH-2 which purported to intersect 1.1metres of 64 grams of gold per tonne. If successful, this would form the foundation of a step out drilling program to identify the extent of the mineralisation of the Sacramento Zone

Lucky Strike Mill

Mill Commissioning

- During the December quarter, work was carried out on the mill with a view to commence commissioning as soon as possible. Whilst auditing the individual components of the mill, it was discovered that a critical part needed replacing. Notwithstanding, we have stockpiled approximately 1,200 tonnes of low grade commissioning ore onsite but due to the extended lead time to get the replacement part the mill was not commissioned in December. The company will provide an update to the market in February.

Permitting

- During the December quarter the company received approval from the Department of Mines, Reclamation and Safety (DRMS) to be registered as the owner of the Lucky Strike Mill. The company sought an amendment to its milling permit that would enable the company to toll treat ore from the Gold Links mine and other nearby smaller mining operations. The amendment was granted in November 2017.

Toll treating

- Discussions have commenced with several parties that have stockpiled ore and are desirous of shipping the ore to our lucky Strike Mill for processing. The company is assessing the offers on a case by case basis and these discussions may materialise into toll treating agreements in the March or June quarter.

Compliance

- MSHA (The US Mine Safety and Health Administration) conducted their quarterly site visit to the Lucky Strike Mill and no citations were issued.

Mineral Hill and Lucky Strike Prospects

- During the quarter, the company conducted a desktop review of the historical data on the Lucky Strike and the Mineral Hill mines from reports dating up to 1985-1986

The key findings of the review are as follows:

Lucky Strike Mine – Permitted to extract 70,000 tonnes per annum

- Mined via a shaft down to 220ft (~70m) and over 600ft (~200m) on strike.
- Average grade mined was between 12-15 grams per tonne.
- Mineralisation is contained in quartz vein with clear distinction between hanging and footwall.
- Mining abandoned in the 1980's when the price of gold was low and the grades meant that mining was sub-economic.

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Recommendations from Review of Lucky Strike Mine historical reports

- In the Northern Hemisphere summer, conduct drilling program to test the down-dip extension of the vein below the 220ft (~70m) level.
- If mineralisation is confirmed below the 220ft level, commence development of a plan that may be implemented to produce ore at the Lucky Strike mine which will create additional feed for the Lucky Strike mill that is located <50m from the existing shaft.

Mineral Hill – Historical Mine not currently permitted for mining

The Mineral Hill reports suggest that the claims host several veins that outcrop at surface and the company intends on testing the veracity of the report in June/July 2018 by conducting surface trenching and a bulk sampling program.

Both the Lucky Strike and the Mineral Hill prospects were historical mines and are now owned by Dateline. The properties are adjoining and make up part of the company's freehold land holdings in Gunnison County Colorado.

Udu – Fiji

In the December Quarter, core samples were collected from site and sent for metallurgical test work. We expect the test work to establish if the Udu ore is amenable to separation and floatation and if it is, we would actively seek a JV partner that is interested in completing a PFS for a 500,000tpa mining operation at Udu.

FINANCIAL RESULTS

The financial results of the Company for the half year ended 31 December 2017 are:

	31-Dec-17	30-Jun-17
Cash & Cash equivalents (\$)	1,033,647	261,279
Net Assets (\$)	9,571,562	5,627,546

	31-Dec-17	31-Dec-16
Revenue (\$)	474	157
Net Profit (Loss) After Tax (\$)	(1,554,279)	(140,229)
Profit/(Loss) per Share (Cents)	(0.30)	(0.11)
Dividend (\$)	-	-

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5. SIGNIFICANT MATTERS AFTER BALANCE DATE

- On 15 January 2018, the Company received a short term loan of \$1.1 million from Southern Cross Exploration N.L. (Interest rate of 10% per annum with a repayment date of 7 August 2018).
- On 19 February 2018, the Company announced that it had negotiated materially improved acquisition terms with the vendors of both the Gold Links mine and the Sooner Lucky Strike mine and mill in Colorado, USA as detailed below:

Gold Links acquisition terms

The original terms for the acquisition of the Gold Links leasehold were:

- Cash payments totaling US\$10m with the first US\$3m due in September 2018, and
- The remaining US\$7M payable in instalments through to September 2022.

The new agreement with the Gold Links Leasehold vendors (Gold Links Lease) is as follows:

- Issue 30m fully paid ordinary shares in Dateline.
- Cash payments of US\$2.5m on 31 December 2022 or before at a rate of US\$50.00 per gold ounce mined. This amount is fixed and payable at 31 December 2022 if not paid earlier by royalties.
- Further cash payments of up to US\$2.5m at a rate of US\$50.00 per gold ounce mined within 100 years of this agreement. This is contingent on mining operations.

Sooner Lucky Strike acquisition terms

The Company has also agreed new terms for the acquisition of the Sooner Lucky Strike Mine including approximately 350 acres of freehold and a 125tpd processing plant (Lucky Strike)

The original Lucky Strike acquisition terms were:

- US\$4m payable over four years in equal \$250,000 quarterly payments commencing 1 April 2018.
- US\$10m payable in April 2022 for the purchase of the freehold land.
- US\$10m payable from production.

The new Lucky Strike agreement is as follows:

- Issue 30m fully paid ordinary shares in Dateline.
- Cash payments of US\$2.5m on 31 December 2022 or before at a rate of US\$50.00 per gold ounce mined. This amount is fixed and payable at 31 December 2022 if not paid earlier by royalties.
- Further cash payments of up to US\$2.5m at a rate of US\$50.00 per gold ounce mined within 100 years of this agreement. This is contingent on mining operations.

These new terms were reflected in the financial statements for the 6 months ended 31 December 2017 as provided evidence of conditions existing before 31 December 2017.

Dateline has also negotiated the acquisition of approximately 900 acres of land which gives the Company freehold title over the Gold Links property that it currently controls via a lease. A total of 30m fully paid ordinary shares (28m were issued on 12 March 2018) and 10m options exercisable at a 2.5cents each with an expiry date of 31 December 2020 will be issued to the vendors as full and final payment for the 900 acres of land.

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- On 14 March 2018, the Company increased its Colorado precious metals portfolio with the acquisition of the Raymond and Carter gold mines which adjoin DTR's Gold Links property. The acquisition price is US\$2 million with settlement in approximately 90 days. The Company has a 30 day period to exercise its right to walk away from the transaction for any reason.

6. AUDITOR'S INDEPENDENCE DECLARATION

The auditors independence declaration under Section 307C of the Corporations Act 2001 is set out on Page 9.

Signed in accordance with a resolution of Directors.

A handwritten signature in black ink that reads "Mark Johnson".

Mark Johnson AO
Chairman
16 March 2018

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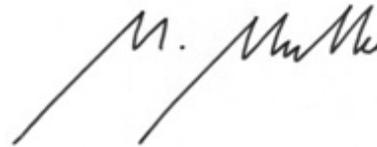
DATELINE RESOURCES LIMITED
ACN 149 105 653

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Dateline Resources Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Dateline Resources Limited and the entities it controlled during the period.



Sydney, NSW
16 March 2018

M D Muller
Director

HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215

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Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

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HLB Mann Judd is a member of  International. A world-wide organisation of accounting firms and business advisers.

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DATELINE RESOURCES LIMITED
 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	31-Dec-17 \$	31-Dec-16 \$
Continuing operations			
Revenue		474	157
Directors fees and other benefits		-	(18,250)
Exploration Expenditure		(103,963)	-
Employment Expenses		(452,999)	-
Administration expenses	4	(997,791)	(122,136)
Profit/(Loss) from continuing operations before income tax		(1,554,279)	(140,229)
Income tax expense		-	-
Profit/(loss) from continuing operations after income tax		(1,554,279)	(140,229)
Other comprehensive profit/(loss)			
Foreign Currency Translation Reserve		24,659	7,417
Total comprehensive profit/(loss) for the period		(1,529,620)	(132,812)
Profit/(loss) for the period is attributable to:			
Owners of the Company		(1,554,279)	(140,229)
		(1,554,279)	(140,229)
Total comprehensive profit/(loss) for the period attributable to:			
Owners of the Company		(1,529,620)	(132,812)
		(1,529,620)	(132,812)
		<u>Cents</u>	<u>Cents</u>
Profit/(loss) per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted profit/(loss) per share – cents per share		(0.30)	(0.11)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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DATELINE RESOURCES LIMITED
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	31-Dec-17 \$	30-Jun-17 \$
Current Assets			
Cash & cash equivalents		1,033,647	261,279
Trade & other receivables		35,490	43,067
Financial Assets		<u>25,472</u>	<u>25,842</u>
Total Current Assets		<u>1,094,609</u>	<u>330,188</u>
Non-Current Assets			
Plant & equipment land & buildings	5	7,686,193	4,164,556
Exploration & evaluation expenditure	6	<u>7,425,236</u>	<u>4,898,753</u>
Total Non-Current Assets		<u>15,111,429</u>	<u>9,063,309</u>
TOTAL ASSETS		<u>16,206,038</u>	<u>9,393,497</u>
Current Liabilities			
Trade & other payables	8	4,137,509	322,318
Loans from Related Parties	7	<u>538,697</u>	<u>6,229</u>
Total Current Liabilities		<u>4,676,206</u>	<u>328,547</u>
Non-Current Liabilities			
Trade & other payables	8	<u>1,958,270</u>	<u>3,437,404</u>
Total Non-Current Liabilities		<u>1,958,270</u>	<u>3,437,404</u>
TOTAL LIABILITIES		<u>6,634,476</u>	<u>3,765,951</u>
NET ASSETS		<u>9,571,562</u>	<u>5,627,546</u>
Equity attributable to the equity holders of the Company			
Contributed equity	9	16,722,515	12,254,584
Reserves	10	571,821	501,457
Other Equity	11	960,000	-
Accumulated losses		<u>(8,682,774)</u>	<u>(7,128,495)</u>
TOTAL EQUITY		<u>9,571,562</u>	<u>5,627,546</u>

The above Consolidated Statement of Financial Position
 should be read in conjunction with the accompanying notes.

DATELINE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Issued Capital \$	Other Equity \$	Accumulated Losses \$	Option Valuation Reserve \$	Foreign Currency Reserve \$	TOTAL \$
Balance as at 1 July, 2017	12,254,584	-	(7,128,495)	115,339	386,118	5,627,546
Total Profit / (loss)	-	-	(1,554,279)	-	-	(1,554,279)
Total other comprehensive income	-	-	-	-	24,659	24,659
Total comprehensive Income for the Period	-	-	(1,554,279)	-	24,659	(1,529,620)
<i>Transaction with owners in their capacity as owners</i>						
Contributions of equity	4,467,931	960,000	-	45,705	-	5,473,636
Balance as at 31 December 2017	16,722,515	960,000	(8,682,774)	161,044	410,777	9,571,562

	Issued Capital \$	Other Equity \$	Accumulated Losses \$	Option Valuation Reserve \$	Foreign Currency Reserve \$	TOTAL \$
Balance as at 1 July, 2016	8,766,335	-	(5,376,733)	-	411,602	3,801,204
Total Profit / (loss)	-	-	(140,229)	-	-	(140,229)
Total other comprehensive income	-	-	-	-	7,417	7,417
Total comprehensive Income for the Period	-	-	(140,229)	-	7,417	(132,812)
<i>Transaction with owners in their capacity as owners</i>						
Contributions of equity	2,538,249	-	-	115,339	-	2,653,588
Balance as at 31 December 2016	11,304,584	-	(5,516,962)	115,339	419,019	6,321,980

The above Consolidated Statement of Changes in Equity
should be read in conjunction with the accompanying notes.

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DATELINE RESOURCES LIMITED
 CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	31-Dec-17	31-Dec-16
	\$	\$
Cash flows used in operating activities		
Payment to suppliers and employees	(1,010,519)	(195,468)
Interest received	474	157
Net cash flows used in operating activities	<u>(1,010,045)</u>	<u>(195,311)</u>
Cash flows used in investing activities		
Payment for acquisition of subsidiaries net of cash acquired	(189,955)	-
Payment for fixed assets	(447,664)	-
Payment for exploration & evaluation expenditure	<u>(1,979,772)</u>	<u>(577,301)</u>
Net cash flows used in investing activities	<u>(2,617,391)</u>	<u>(577,301)</u>
Cash flows from financing activities		
Proceeds from issue of shares	3,867,336	1,115,655
Advance of related party loans	<u>532,468</u>	<u>272,055</u>
Net cash flows from financing activities	<u>4,399,804</u>	<u>1,387,710</u>
Net increase/(decrease) in cash and cash equivalents	772,368	615,098
Cash and cash equivalents at beginning of period	261,279	72,363
Cash and cash equivalents at end of period	<u>1,033,647</u>	<u>687,461</u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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1. CORPORATE INFORMATION

The financial report of Dateline Resources Limited (the "Company") covers the period from 1 July 2017 to 31 December 2017 (the "Period"). The Company was incorporated on 3 February 2011.

In June 2011, the Company was listed on the Australian Securities Exchange (ASX) through initial Public Offering Prospectus dated 18 April 2011.

The Company is an Australian-based mineral exploration company with existing exploration projects in the Republic of Fiji and mining permits in Colorado USA. The address of the registered office of the Company is Level 29, 2 Chifley Square Sydney NSW 2000.

The financial report of Dateline Resources Limited for the Period was authorised for issue in accordance with a resolution of the Directors on 16 March 2018.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

This general purpose interim condensed financial report of the Company for the Period has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that the interim financial report be read in conjunction with the annual financial statements for the year ended 30 June 2017 and considered together with any public announcements made by the Company during the Period and up to the date of this report in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The accounting policies and methods of computation adopted in the preparation of this financial report for the Period under review are consistent with those adopted in the annual financial statements for the year ended 30 June 2017. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(b) Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

During the period, the consolidated entity incurred a comprehensive loss of \$1,529,620 (2016: \$132,812 loss) a net cash inflow of \$772,368 (2016: \$615,098 inflow) and net cash out flow from operations of \$1,010,045 (2016: \$195,311). As at 31 December 2017, the consolidated entity also had a deficiency in working capital of \$3,581,598 (2016: \$1,641 working capital) and cash assets of \$1,033,647 (2016: \$261,279).

The ability of the consolidated group to continue as a going concern is dependent upon the group being able to generate sufficient funds to satisfy exploration commitments and working capital requirements. The directors are in the process of taking the following measures which have been designed to ensure that the going concern assumption remains appropriate and that the group is able to settle liabilities and commitments as and when they are due:

- Commence mining at Gunnison, as soon as possible;

DATELINE RESOURCES LIMITED
 DIRECTORS' DECLARATION
 FOR THE HALF YEAR ENDED 31 DECEMBER 2017

- Seeking other funding opportunities through various transactions including future fundraising including mergers or joint ventures;
- By issuing equity to settle future liabilities, if appropriate; and
- Adopting all appropriate measures to ensure that the cashflows remain sufficient to ensure that it remains a going concern.

Some of these measures already adopted by the board since 31.12.17 have been disclosed in note 16.

The directors believe that the going concern basis for the preparation of the financial report of the Group is appropriate. The directors note that should the Group be unsuccessful in implementing the above mentioned measures, there is material uncertainty that the Group may be able to realise its assets or discharge its liabilities in the normal ordinary course of business and at the amounts stated in the financial report.

3. OPERATING SEGMENTS

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

	Consolidation				
	Australia	USA	Fiji	Entries	TOTAL
	A\$	A\$	A\$	A\$	A\$
31 December 2017					
Revenues	474	-	-	-	474
Segment Result	(500,052)	(1,051,043)	(3,185)	-	(1,554,280)
31 December 2016					
Revenues	157	-	-	-	157
Segment Result	(138,877)	-	(1,352)	-	(140,229)
31 December 2017					
Total Segment Assets	23,852,659	2,222,192	4,188,505	(14,057,318)	16,206,038
Total Segment Liabilities	8,363,669	307,369	4,928,036	(6,964,599)	6,634,475
30 June 2017					
Total Segment Assets	18,957,035	5,327,270	4,158,744	(19,049,552)	9,393,497
Total Segment Liabilities	2,175,714	4,976,789	4,893,118	(8,279,670)	3,765,951

	Consolidated	
	31-Dec-17	31-Dec-16
4. ADMINISTRATION EXPENSES		
Consulting and corporate expenses	418,804	62,859
Compliance and regulatory expenses	51,175	24,407
Depreciation expenses	-	2,670
Exchange rate (Gain)/loss	44,122	-
Finance charges	257,790	-
Other administration expenses	225,900	32,200
TOTAL ADMINISTRATION EXPENSES	<u>997,791</u>	<u>122,136</u>

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DATELINE RESOURCES LIMITED
 DIRECTORS' DECLARATION
 FOR THE HALF YEAR ENDED 31 DECEMBER 2017

		Consolidated	
		31-Dec-17	30-Jun-17
		\$	\$
5.	PLANT & EQUIPMENT LAND & BUILDINGS		
	Carrying amount of Fixed Assets	7,686,193	4,164,556
(a)	Plant & Equipment		
	At Valuation / Cost	53,682	53,682
	Less accumulated depreciation	(53,682)	(53,682)
	Total Plant & Equipment	-	-
	Movement during the Period		
	Balance at the beginning of the period	-	123
	Depreciation Expense	-	(123)
	Balance at the end of the period	-	-
(b)	Office Equipment		
	At Cost	51,773	51,773
	Less accumulated depreciation	(51,773)	(51,773)
	Total Office Equipment	-	-
	Movement during the Period		
	Balance at the beginning of the period	-	5,587
	Depreciation Expense	-	(5,587)
	Balance at the end of the period	-	-
(c)	Mining plant & equipment		
	At Cost	4,777,111	2,832,494
	Less accumulated depreciation	-	-
	Total mining plant & equipment	4,777,111	2,832,494
	Movement during the Period		
	Balance at the beginning of the period	2,832,494	-
	Additions	447,664	509,283
	Mining plant & equipment acquired on acquisition of Gunnison Gold Pty Ltd	-	2,323,211
	Mining plant & equipment acquired on acquisition of ALSH LLC (ALSH) (Note 12)	1,496,953	-
	Balance at the end of the period	4,777,111	2,832,494
(d)	Mining land & buildings		
	At Cost	2,909,082	1,332,062
	Less accumulated depreciation	-	-
	Total Mining land & buildings	2,909,082	1,332,062
	Movement during the Period		
	Balance at the beginning of the period	1,332,062	-
	Additions	-	-
	Mining land & buildings acquired on acquisition of ALSH	1,577,020	-
	Mining land & buildings acquired on acquisition of Gunnison Gold Pty Ltd	-	1,332,062
	Balance at the end of the period	2,909,082	1,332,062

DATELINE RESOURCES LIMITED
 DIRECTORS' DECLARATION
 FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Consolidated	
	31-Dec-17	30-Jun-17
6. EXPLORATION & EVALUATION EXPENDITURE	\$	\$
Carrying amount of exploration expenditure	7,425,236	4,898,753
Movement during the Period		
Balance at the beginning of the Period	4,898,753	4,556,309
Expenditure incurred during the Period	1,979,772	404,430
Tenements acquired on acquisition of ALSH (Note 12)	546,711	-
Tenements acquired on acquisition of Gunnison Gold Pty Ltd	-	848,653
Expenditure written off during the year	-	(910,639)
Balance at the end of the Period	7,425,236	4,898,753

The ultimate recoupment of the costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively, the sales of the respective area of interest. The Board has reviewed the situation and the status of the exploration assets and considers that their carrying value is appropriate and recoverable as at 31 December 2017.

7. LOANS FROM RELATED PARTIES

Current

Amounts owed to Southern Cross Resources NL	288,697	6,229
Amounts owed to Mr. Mark Johnson	250,000	-
Total current loans from shareholders	538,697	6,229
Total non-current loans from shareholders	-	-
TOTAL LOANS FROM RELATED PARTIES	538,697	6,229

8. TRADE & OTHER LIABILITIES

Current

Trade creditors & accruals	556,926	322,318
Amount owed to the vendors of CRG Mining LLC	3,580,583	-
	4,137,509	322,318

The amount above of \$3,580,583 (June 2017 \$0) was arrived after applying a discount rate of 10% p.a. to future payments.

Non-Current

Amount owed to the vendors of ALSH LLC	1,958,270	-
Amount owed to the vendors of CRG Mining LLC	-	3,437,404
	1,958,270	3,437,404

The amount above of \$1,958,270 (June 2017 \$3,437,404) was arrived after applying a discount rate of 10% p.a. to future payments. Amounts in the current period payable to the vendors of ALSH LLC are payable on 31 December 2022.

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DATELINE RESOURCES LIMITED
 DIRECTORS' DECLARATION
 FOR THE HALF YEAR ENDED 31 DECEMBER 2017

9. CONTRIBUTED EQUITY

(a) Share Capital

	Consolidated	
	31-Dec-17	30-Jun-17
Ordinary Capital		
Number of Shares	630,495,810	400,495,804
Paid Up	\$16,722,515	\$12,254,584

(b) Movements in Share Capital

		Consolidated	
		Number	\$
		of Shares	
01 Jul 2017	Opening Balance	400,495,804	12,254,584
16 Aug 2017	Issue of shares	109,241,756	2,184,835
06 Oct 2017	Issue of shares	30,000,000	600,000
12 Oct 2017	Issue of shares	10,000,000	200,000
20 Oct 2017	Issue of shares	75,758,250	1,515,165
09 Nov 2017	Issue of shares	5,000,000	100,000
13 Dec 2016	Share Issue Costs	-	(132,069)
31 Dec 2016	Closing Balance	<u>630,495,810</u>	<u>16,722,515</u>

10. Reserves

	Consolidated	
	31-Dec-17	30-Jun-17
	\$	\$
Option Valuation Reserve	161,044	115,339
Foreign Currency Translation Reserve	410,777	386,118
	<u>571,821</u>	<u>501,457</u>

Option Valuation Reserve

On 14/12/17, 6 million unlisted options (exercise price of 3.3 cents; expiry date of 27.9.18) were issued to unrelated party employees of CRG Mining LLC, valued at \$45,704.

The balance of \$115,339 as at 30.6.17 related to the issue of 35 million unlisted options that were issued as part of the acquisition of Gunnison Gold Pty Ltd.

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of the foreign controlled subsidiaries.

11. OTHER EQUITY

	Consolidated	
	31-Dec-17	30-Jun-17
	\$	\$
Shares to be issued to the vendors of ALSH (note 16)	960,000	-
	<u>960,000</u>	<u>-</u>

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11. RELATED PARTY DISCLOSURES

Transactions with related parties

- (i) During the period Southern Cross Exploration N.L. advanced to the Company a short term loan of \$250,000. The loan is unsecured, has an interest rate of 7% per annum and a repayment date of 31 December 2018 or the provision of 30 days notice that repayment is required.
 Also during the period Southern Cross Exploration N.L. paid expenses of \$38,697 on behalf of the Company. This amount is unsecured and is expected to be repaid in full by 31 March 2018.
- (ii) During the period Mr Mark Johnson advanced to the Company a short term loan of \$250,000. The loan is unsecured, has an interest rate of 7% per annum and a repayment date of 31 December 2018 or the provision of 30 days notice that repayment is required.
- (iii) During the period Southern Cross Exploration N.L. (SXX) took up their full entitlement in the non-renounceable Rights Issue announced to the market on 21 July 2017. SXX acquired 80,005,001 fully paid ordinary shares at a cost of \$0.02 per share.

12. ENTITIES ACQUIRED DURING THE PERIOD

(a) Summary of acquisitions

On 3 October 2017 the Group acquired 100% of the issued capital of ALSH LLC which owns the Mineral Hill and Sooner Lucky Strike Gold mines, 19 mining permitted claims over approximately 350 acres of freehold land. Included in the acquisition is a fully functional and permitted mill.

(b) Purchase consideration

The total purchase consideration paid was \$3,620,684 which included 30,000,000 fully paid ordinary shares in Dateline Resources valued at \$600,000, cash consideration of \$189,955, deferred consideration of \$1,870,729 and other equity of \$960,000 which represents 30,000,000 ordinary shares to be issued to the vendors of ALSH (note 16) .

The value of assets recognised as a result of the acquisition are as follows:

	Value \$
Tenements	546,711
Mining plant and equipment	1,496,953
Mining land & buildings	1,577,020
	<u>3,620,684</u>

13. DIVIDENDS

No dividend has been paid during the Period and no dividend is recommended for the Period.

14. COMMITMENTS

There were contracted commitments as at 31 December 2017 in regard to Royalty Arrangements to the vendors of CRG Mining LLC. (CRG). The vendors of CRG are entitled to receive a royalty payment of US\$100 for each ounce of gold produced from any mining operations conducted on the acquired tenements up to a maximum of US\$7,000,000 (Maximum Amount). The Maximum Amount is to be paid to the vendors of CRG no later than 4 years after any deferred consideration is paid to the vendors of CRG (Royalty Period). The amount of the royalty to be paid for each year during the Royalty Period is the lesser of:

- (i) US\$2,000,000 and,
- (ii) the difference between the Maximum Amount and the total amount of the royalty payments already paid to the vendors of CRG during the Royalty Period.

There were contracted commitments as at 31 December 2017 in regard to Royalty Arrangements to the vendors of ALSH LLC. (ALSH). In addition to the amount of fixed consideration as shown in note 8, a further amount of up to US\$2.5 million is payable contingent to future production for up to 100 years from the date of the contract at a rate of US\$50 per gold ounce mined.

15. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2017 (Nil as at 30 June 2017).

16. SIGNIFICANT MATTERS AFTER BALANCE DATE

- On 15 January 2018, the Company received a short term loan of \$1.1 million from Southern Cross Exploration N.L. (Interest rate of 10% per annum with a repayment date of 7 August 2018).
- On 19 February 2018, the Company announced that it had negotiated materially improved acquisition terms with the vendors of both the Gold Links mine and the Sooner Lucky Strike mine and mill in Colorado, USA as detailed below:

Gold Links acquisition terms

The original terms for the acquisition of the Gold Links leasehold were:

- Cash payments totaling US\$10m with the first US\$3m due in September 2018, and
- The remaining US\$7M payable in instalments through to September 2022.

The new agreement with the Gold Links Leasehold vendors (Gold Links Lease) is as follows:

- Issue 30m fully paid ordinary shares in Dateline.
- Cash payments of US\$2.5m on 31 December 2022 or before at a rate of US\$50.00 per gold ounce mined. This amount is fixed and payable at 31 December 2022 if not paid earlier by royalties.
- Further cash payments of up to US\$2.5m at a rate of US\$50.00 per gold ounce mined within 100 years of this agreement. This is contingent on mining operations.

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Sooner Lucky Strike acquisition terms

The Company has also agreed new terms for the acquisition of the Sooner Lucky Strike Mine including approximately 350 acres of freehold and a 125tpd processing plant (Lucky Strike)

The original Lucky Strike acquisition terms were:

- US\$4m payable over four years in equal \$250,000 quarterly payments commencing 1 April 2018.
- US\$10m payable in April 2022 for the purchase of the freehold land.
- US\$10m payable from production.

The new Lucky Strike agreement is as follows:

- Issue 30m fully paid ordinary shares in Dateline.
- Cash payments of US\$2.5m on 31 December 2022 or before at a rate of US\$50.00 per gold ounce mined. This amount is fixed and payable at 31 December 2022 if not paid earlier by royalties.
- Further cash payments of up to US\$2.5m at a rate of US\$50.00 per gold ounce mined within 100 years of this agreement. This is contingent on mining operations.

These new terms were reflected in the financial statements for the 6 months ended 31 December 2017 as provided evidence of conditions existing before 31 December 2017

Dateline has also negotiated the acquisition of approximately 900 acres of land which gives the Company freehold title over the Gold Links property that it currently controls via a lease. A total of 30m fully paid ordinary shares (28m were issued on 12 March 2018) and 10m options exercisable at a 2.5cents each with an expiry date of 31 December 2020 will be issued to the vendors as full and final payment for the 900 acres of land.

- On 14 March 2018, the Company increased its Colorado precious metals portfolio with the acquisition of the Raymond and Carter gold mines which adjoin DTR's Gold Links property. The acquisition price is US\$2 million with settlement in approximately 90 days. The Company has a 30 day period to exercise its right to walk away from the transaction for any reason.

17. EARNINGS PER SHARE

	Consolidated	
	Six Months ended 31-Dec-17	Six Months ended 31-Dec-16
Basic and diluted loss per share	(\$0.30)	(\$0.11)
Net loss used to calculate earnings loss per share	(\$1,554,279)	(\$140,229)
Weighted average number of ordinary shares on issue used in the calculation of earnings per share	510,448,184	127,450,782

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DATELINE RESOURCES LIMITED
DIRETORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

In the Directors' opinion:

- (a) The consolidated financial statements and notes, set out on pages 10 to 21, are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the financial position as at 31 December 2017 and the performance for the period 1 July 2017 to 31 December 2017 of the Company.
 - (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.

On behalf of the Board of Directors.

A handwritten signature in black ink that reads "Mark Johnson".

Mark Johnson
Chairman
16 March 2018

**DATELINE RESOURCES LIMITED
ACN 149 105 653**

AUDITOR'S INDEPENDENCE DECLARATION

To the members of Dateline Resources Limited:

We have reviewed the accompanying half-year financial report of Dateline Resources Limited ("the company") which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215

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**DATELINE RESOURCES LIMITED
ACN 149 105 653**

AUDITOR'S INDEPENDENCE DECLARATION (CONTINUED)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dateline Resources Limited is not in accordance with the *Corporations Act 2001* including:

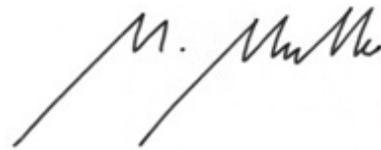
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 2(b) Going concern basis, which indicates that the company's ability to continue as a going concern is dependent on it raising sufficient capital. This condition, along with other matters set forth in Note 2(b), indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



**HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants**



**M D Muller
Director**

**Sydney, NSW
16 March 2018**

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