



ABN 63 149 105 653

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED

30 June 2016

ANNUAL REPORT

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Directors & Officers

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

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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

National Australia Bank
300 Victoria Avenue
Chatswood NSW 2067
Website: www.nab.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

The Company's Corporate Governance Statement can be found on the Company's website
www.datelineresources.com.au

The Directors submit their report on the consolidated entity (“the Group”), which consists of Dateline Resources Limited (the “Company” or “Dateline”) and the entities it controlled during the financial year ended 30 June 2016.

1. INFORMATION ON DIRECTORS

The names and details of the Group’s Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Mr Mark Johnson AO

Non-Executive Chairman (Appointed 22 April 2013)

LLB MBA (Harvard)

Mr Johnson has worked in banking and corporate finance for more than forty years. He retired as Deputy Chairman of Macquarie Bank in mid-2007 and now divides his time between work in the private and public sectors.

Mr Johnson is a senior adviser to Gresham Partners, Chairman of Alinta Energy Ltd and from 2002 to 2013 one of the three Australian members of the APEC Business Advisory Council (ABAC).

During the past three years, Mr Johnson held the following directorships in other ASX listed companies:

- Independent Director of Westfield Group (current)

George Niumataiwalu

Non-Executive Director (Appointed 24 October 2013, Deceased 2 December 2015)

BE, GradCert Eng, MSc, MBA, MPA (Harvard)

During the past three years, Mr Niumataiwalu had not held any directorships in other ASX listed companies.

On 2 December 2015 the Group was notified of the very sad news that Mr George Niumataiwalu had passed away.

Stephen Baghdadi

Executive Director (Appointed 3 July 2014)

Mr Baghdadi has a wealth of experience in the mining exploration industry.

During the past three years, Mr Baghdadi held the following directorships in other ASX listed companies:

- Non-Executive Chairman of Longreach Oil Limited (resigned 8 July 2015);
- Executive Director of Southern Cross Explorations N.L. (current).

Mr Gregory Hall

Non-Executive Director (Appointed 19 January 2015)

B. Applied Geology (1st Class Honours)

Mr Hall is an exploration geologist with over 40 years of international experience.

From 1988-2005, he was employed by the Placer Dome group of companies, serving as Chief Geologist - World Wide during the last five years he was there.

Placer Dome was later acquired by Barrick Gold Corporation in early 2006.

Over the course of his career, Mr. Hall had a senior role in the discoveries of both Gold Field's Granny Smith mine and Rio Tinto's Yandi iron ore mine. In addition, he took part in the discoveries of Keringal and Wallaby in Australia's Eastern Goldfields, as well as the definition of AngloGold Ashanti's Sunrise gold mine.

During the past three years, Mr Hall held the following directorships in other ASX listed companies:

- Non-Executive Director of Namibian Copper NL (current);
- Non-Executive Director of Zeus Resources Limited (current).

2. INFORMATION ON COMPANY SECRETARY

Mr John Smith

(Appointed 24 October 2013)

B. Com, MBA, FCPA

Mr Smith is a Certified Practising Accountant and Chartered Secretary with over 30 years experience as CFO and Company Secretary of ASX listed and unlisted companies.

3. DIRECTORS' SHAREHOLDINGS

The following table sets out each current Director's relevant interest in shares and rights or options to acquire shares of the Company as at the date of this report.

Directors	Fully Paid Ordinary Shares	Unlisted Share Options
Mark Johnson	26,588,875	-
George Niumataiwalu	-	-
Stephen Baghdadi	-	-
Gregory Hall	4,999,987	-
	31,588,862	-

4. DIRECTORS' MEETINGS

Directors	Number Eligible to Attend	Number Attended
Mark Johnson	12	12
George Niumataiwalu	8	5
Stephen Baghdadi	12	12
Gregory Hall	12	8

Functions normally assigned to an Audit Committee and Remuneration Committee are undertaken by the full Board.

5. DIVIDENDS

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

6. PRINCIPAL ACTIVITIES

The Group is an Australian-based exploration company with exploration projects in the Republic of Fiji and Australia. The Group plans to focus on exploration and development of the Udu and Mt. Augustus projects and pursue base metals opportunities in Australia and the South Pacific.

7. OPERATING AND FINANCIAL REVIEW

(a) Operations

Dateline is an exploration company operating in Australia and the Republic of Fiji to acquire, explore, evaluate and exploit gold and copper-zinc deposits, and explore prospective tenements for other minerals.

The Group creates value for shareholders, through exploration activities which develop and quantify resource assets. Once an asset has been developed and quantified within the framework of the JORC guidelines the Group may elect to move to production, to extract and refine ore which is then sold as a primary product.

Tenement Schedule

Project	Number	Ownership	Location
Udu	SPL1387	100%	Fiji
Udu	SPL1396	100%	Fiji
Udu	CX814	Application 100%	Fiji
Udu	CX815	Application 100%	Fiji
Mt Augustus	E09/2030	100%	Western Australia
Mt Augustus	E09/2031	100%	Western Australia
Mt Augustus	E09/2117	100%	Western Australia
Mt Augustus	E09/2118	100%	Western Australia

DATELINE RESOURCES LIMITED
 DIRECTORS REPORT
 FOR THE YEAR ENDED 30 JUNE 2016

Conditions for junior exploration companies continue to be extremely difficult. There is an uncertain outlook for economic growth and for commodity prices. In these circumstances financial markets will only support projects offering near term cash flow or really outstanding prospects. DTR's response has been to adopt stringent cash control, and to confine all but absolutely essential expenditures.

DTR's tenements at Udu are prospective for porphyry occurrences. Data and information on these prospects and a conceptual framework for low cost exploration were further evaluated. The Group is now in a position to provide potential joint venture partners with access to a considerable data base.

Opportunities in gold and base metals outside Fiji could dilute single project risk and be in the interests of DTR shareholders. Considerable effort has been given to the development of other opportunities, a number were examined and several were judged to be attractive. Evaluation of these prospects and analysis of possible terms of entry are continuing.

Examination regarding possible participation in a number of new projects and maintaining and reviewing the Group's existing projects were the principal activities during the period. Directors continue to investigate opportunities to participate in joint ventures and acquire projects in Australia and overseas.

As announced on October 16 2015, Dateline Resources Limited completed a share sale agreement (Agreement) with the major shareholders of Golden Phoenix Resources Limited (GPR) for Dateline to acquire all of the issued shares of GPR. The consideration for this was the issue of 25,000,416 DTR shares to GPR shareholders. DTR's issued capital now stands at 101,300,416 ordinary shares.

GPR is an unlisted public mineral exploration company that has two granted exploration licenses (EL's) that comprise the Augustus sedimentary copper project located in the Gascoyne region, Western Australia. The ELs cover two separate copper geochemical anomalies defined by the Geological Survey of Western Australia (GSWA) geochemical data within the Proterozoic Bangemall Basin.

(b) Financial Performance & Financial Position

The financial results of the Group for the year ended 30 June 2016 and 2015 are:

	30-Jun-16	30-Jun-15	% Change
Cash & Cash equivalents (\$)	72,363	45,907	57.6%
Net Assets (\$)	3,801,204	3,350,481	13.5%
Revenue (\$)	23,293	17,597	32.3%
Net Profit (Loss) After Tax (\$)	(617,163)	(4,512,003)	86.3%
Profit/(Loss) per Share (Cents)	(0.66)	(6.16)	89.2%
Dividend (\$)	-	-	-

(c) Business Strategies and Prospects for future financial years

The Group actively evaluates the prospects of each project as results from each program become available, these results are available via the ASX platform for shareholders information. The Group then assesses the continued exploration expenditure and further asset development. The Group will continue the evaluation of its mineral projects in the future and undertake generative work to identify and acquire new resource projects.

There are specific risks associated with the activities of the Group and general risks which are largely beyond the control of the Group and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Group and the market price of the Company's shares.

(i) Operating Risks

The operations of the Group may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(ii) Environmental Risks

The operations and proposed activities of the Group are subject to the laws and regulations of Australia and the Republic of Fiji concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(iii) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Group's exploration, development and production activities, as well as on its ability to fund those activities.

(iv) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- i. general economic outlook;
- ii. introduction of tax reform or other new legislation;
- iii. interest rates and inflation rates;
- iv. Commodity prices;
- v. changes in investor sentiment toward particular market sectors;
- vi. the demand for, and supply of, capital; and
- vii. terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(v) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income, the Company will require further financing. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

8. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year the following significant events took place:

- On 16 October 2015 the Group announced that it had acquired 99.76% of the share capital of Golden Phoenix Resources Ltd. An aggregate of 24,940,121 fully paid ordinary shares in the company were issued to the previous shareholders of Golden Phoenix Resources Ltd as consideration for this acquisition.
- On 12 November 2015 the Group announced that it had acquired the remaining 0.24% of the share capital of Golden Phoenix Resources Ltd. 60,295 fully paid ordinary shares in the company were issued to the previous shareholders of Golden Phoenix Resources Ltd as consideration for this acquisition.

A total of 25,000,416 fully paid ordinary shares were issued to the previous shareholders of Golden Phoenix Resources Ltd as total consideration for the acquisition, increasing the total fully paid shares on issue in the company to 101,300,416.

- On 2 December 2015 the company was notified of the very sad news that Mr George Niumataiwalu, a Non-Executive Director of the Group had passed away.

Overview of GPR

GPR is an unlisted public mineral exploration company which was incorporated in Western Australia in April 2007.

Through its wholly owned subsidiary, GPR has four exploration licences located in Western Australia. The exploration licences are in relation to the Augustus sedimentary copper project located in the Gascoyne region of Western Australia, and cover three separate copper geochemical anomalies defined by the GSWA geochemical data within the Proterozoic Bangemall Basin.

The licences cover the largest copper anomaly within the GSWA public domain geochemical dataset from modelling, after normalising for lithological variations.

The key former shareholders of GPR have extensive experience in the exploration sector and project development.

9. AFTER BALANCE SHEET DATE EVENTS

No matter or event has arisen since 30 June 2016 that would be likely to materially affect the operations of the Company, or the state of affairs of the Company not otherwise as disclosed in the Group's financial report.

10. ENVIRONMENTAL ISSUES

The Group needs to comply with environmental regulations at the sites where it has exploration activities. The Board is not aware of any breach of environmental requirements as they apply to the Group. There were no ground disturbing activities conducted during the financial year.

11. REMUNERATION REPORT (Audited)

The Board of Dateline Resources Limited is responsible for determining and reviewing the remuneration of the Directors of the Company, within parameters approved by shareholders. No performance hurdles have been imposed so far, due to the size of the Group and the structure of the remuneration in respect of the non-executive Directors. Remuneration is not related to the company's financial performance.

Accounting and administration services were provided by consultants at reasonable commercial rates.

The Company's Key Management Personnel comprise all of the Directors. Company Secretarial services were provided by J Smith.

Remuneration of executives and consultants, whenever appointed, is determined by market conditions and is not linked to the Group's performance. There are no service agreements in place relating to Directors' fees paid. No equity based payments or other benefits were paid to Directors or consultants during the year under review; no shares or options were issued by way of remuneration.

Directors	Position	Duration of Appointment
Mark Johnson	Non-Executive Chairman	Appointed 22 April 2013
George Niumataiwalu	Non-Executive Director	Appointed 24 October 2013 Deceased 2 December 2015
Stephen Baghdadi	Executive Director	Appointed 4 July 2014
Gregory Hall	Non-Executive Director	Appointed 19 January 2015

Details of remuneration of the KMP of Dateline Resources Limited are shown below:

	Position	2016 \$	2015 \$
Mr Johnson	Director	-	-
Mr Niumataiwalu	Director	-	-
Mr Baghdadi	Consultant	60,000	35,000
Mr Baghdadi	Director	-	-
Mr Gemell	Director	-	-
Mr Hall	Consultant	24,638	-
Mr Hall	Director	16,425	-
Mr Smith	Company Secretary	54,000	62,000
	Total	<u>155,063</u>	<u>97,000</u>

Dateline Resources Limited, as an ASX listed company, has produced the Remuneration Report in accordance with Section 300A of the Corporations Act 2001.

Key management personnel holdings

(i) Option holdings of Key Management Personnel

There are no options held by key management personnel.

(ii) Shareholdings

Details of shares held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2016 are set out below:

Company Directors and Related Parties	Opening Balance	Received as Remuneration	Exercise of Options	Net Change Other	Closing Balance
Mr. Johnson	26,588,875	-	-	-	26,588,875
Mr. Niumataiwalu	383,125	-	-	(383,125)	-
Mr. Baghdadi	-	-	-	-	-
Mr. Hall	-	-	-	4,999,887	4,999,987
	26,972,000	-	-	4,616,762	31,588,862

Details of shares held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2015 are set out below:

Company Directors and Related Parties	Opening Balance	Received as Remuneration	Exercise of Options	Net Change Other	Closing Balance
Mr. Johnson	26,588,875	-	-	-	26,588,875
Mr. Gemell	383,125	-	-	(383,125)	-
Mr. Niumataiwalu	383,125	-	-	-	383,125
Mr. Baghdadi	-	-	-	-	-
Mr. Hall	-	-	-	-	-
	27,355,125	-	-	-	26,972,000

The adoption of the Remuneration Report for the financial year ended 30 June 2015 was put to the shareholders of the Company at the Annual General Meeting held 20 November 2015. The resolution was passed without amendment on a show of hands. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of remuneration report.

12. OPTIONS

At the date of this report, there were no unissued ordinary shares of Dateline under option.

13. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purposes of taking responsibility on behalf of the Group for all or part of those proceedings.

14. INDEMNIFYING OFFICERS

During the financial year, the Group paid a premium in respect of a contract insuring all its Directors and current Executive Officers against a liability incurred as such a director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such an officer or auditor.

15. NON-AUDIT SERVICES

There were no non-audit services provided by the Group's auditors during the financial year.

16. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the financial year ended 30 June 2016 has been received and can be found on page 11.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Mark Johnson'.

Mr Mark Johnson
Non-Executive Chairman
26 September 2016

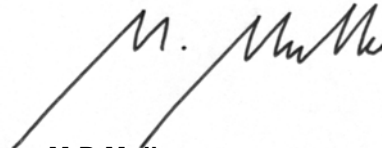
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Dateline Resources Limited for the year ended 30 June 2016, 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 audit; and
- (b) any applicable code of professional conduct in relation to the audit.

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

Sydney, NSW
26 September 2016



M D Muller
Director

DATELINE RESOURCES LIMITED
 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2016

	Note	<u>30-Jun-16</u>	<u>30-Jun-15</u>
		\$	\$
Continuing operations			
Interest Income	4	23,293	17,597
Impairment of Capitalised Exploration Expenditure	11	-	(3,887,581)
Expenditure written off during the year	11	(233,250)	
Interest Expense		(20,885)	(41,848)
Administration expenses	5	(386,322)	(600,171)
Profit/(Loss) from continuing operations before income tax		(617,163)	(4,512,003)
Income tax expense	6	-	-
Profit/(loss) from continuing operations after income tax		(617,163)	(4,512,003)
Other comprehensive profit/(loss)			
Items that may be reclassified to profit or loss:			
Foreign Currency Translation Reserve		64,747	359,429
Total comprehensive profit/(loss) for the period		(552,416)	(4,152,574)
Profit/(loss) for the period is attributable to:			
Owners of the Company		(617,163)	(4,512,003)
		(617,163)	(4,512,003)
Total comprehensive profit/(loss) for the period attributable to:			
Owners of the Company		(552,416)	(4,152,574)
		(552,416)	(4,152,574)
		<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	16	(0.66)	(6.16)

This Statement of Comprehensive Income is to be read in conjunction with the accompanying notes

DATELINE RESOURCES LIMITED
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2016

	Note	30-Jun-16 \$	30-Jun-15 \$
Current Assets			
Cash & cash equivalents	7	72,363	45,907
Trade & other receivables	8	28,273	12,895
Financial Assets	9	20,370	19,635
Total Current Assets		<u>121,006</u>	<u>78,437</u>
Non-Current Assets			
Plant & equipment	10	5,710	11,321
Exploration & evaluation expenditure	11	4,556,309	3,600,000
Total Non-Current Assets		<u>4,562,019</u>	<u>3,611,321</u>
TOTAL ASSETS		<u>4,683,025</u>	<u>3,689,758</u>
Current Liabilities			
Trade & other payables	12	602,293	189,277
Loans from Related Parties	13	279,528	150,000
Total Current Liabilities		<u>881,821</u>	<u>339,277</u>
TOTAL LIABILITIES		<u>881,821</u>	<u>339,277</u>
NET ASSETS		<u>3,801,204</u>	<u>3,350,481</u>
Equity attributable to the equity holders of the Company			
Contributed equity	14	8,766,335	7,763,196
Reserves	15	411,602	625,694
Accumulated losses		<u>(5,376,733)</u>	<u>(5,038,409)</u>
TOTAL EQUITY		<u>3,801,204</u>	<u>3,350,481</u>

This Statement of Financial Position is to be read in conjunction with the accompanying notes

DATELINE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Note	Issued Capital \$	Accumulated Losses \$	Foreign Currency Reserve \$	TOTAL \$
Balance as at 1 July, 2015		7,763,196	(5,038,409)	625,694	3,350,481
Transfer of Foreign Currency Reserve	26	-	278,839	(278,839)	-
Total profit / (loss)		-	(617,163)	-	(617,163)
Total other comprehensive income		-	-	64,747	64,747
Total comprehensive income for the year		-	(617,163)	64,747	(552,416)
<i>Transaction with owners in their capacity as owners:</i>					
Contributions of equity		1,003,139	-	-	1,003,139
Balance as at 30 June 2016		8,766,335	(5,376,733)	411,602	3,801,203

	Issued Capital \$	Accumulated Losses \$	Foreign Currency Reserve \$	TOTAL \$
Balance as at 1 July, 2014	7,177,157	(526,404)	266,265	6,917,018
Total profit / (loss)	-	(4,512,005)	-	(4,512,005)
Total other comprehensive income	-	-	359,429	359,429
Total comprehensive income for the year	-	(4,512,005)	359,429	(4,152,576)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity	586,039	-	-	586,039
Balance as at 30 June 2015	7,763,196	(5,038,409)	625,694	3,350,481

This Statement of Changes in Equity is to be read in conjunction with the accompanying notes

DATELINE RESOURCES LIMITED
 CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2016

	30-Jun-16	30-Jun-15
	\$	\$
Cash flows used in operating activities		
Payment to suppliers and employees	(146,700)	(439,760)
Interest received	23,293	17,597
Net cash flows used in operating activities	<u>(123,407)</u>	<u>(422,163)</u>
Cash flows used in investing activities		
Payment for plant & equipment	(6,194)	-
Net funds received on acquisition of Subsidiary	308,792	-
Payment for exploration & evaluation expenditure	(263,735)	(232,771)
Net cash flows from/(used in) investing activities	<u>38,863</u>	<u>(232,771)</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	586,039
Repayment of related party loans	-	(3,027,483)
Proceeds from borrowings	111,000	3,050,000
Net cash flows from financing activities	<u>111,000</u>	<u>608,556</u>
Net increase/(decrease) in cash and cash equivalents	26,456	(46,378)
Cash and cash equivalents at beginning of period	<u>45,907</u>	<u>92,285</u>
Cash and cash equivalents at end of period	<u><u>72,363</u></u>	<u><u>45,907</u></u>

This Statement of Cash Flows is to be read in conjunction with the accompanying notes

1. REPORTING ENTITY

The financial report includes financial statements for the consolidated entity consisting of Dateline Resources Limited (the “Company”) and the entities it controlled during the year (“the Group”). The Company is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Limited (“ASX”). The Company is a for-profit entity for the purposes of preparing the financial statements. The address of its registered office and principal place of business is disclosed in the Corporate Directory of the annual report.

The nature of the operations and principal activities of the Group are described in the Directors’ Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in these financial statements.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report of the Group also complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

The financial statements were approved by the Board of Directors on 26 September 2016.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(d) Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”).

The consolidated financial statements are presented in Australian dollars, which is Dateline Resources Limited and Dateline Fiji Pty Limited’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

(e) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods. The Group has elected not to early adopt these standards and interpretations. The following standard and interpretation is considered applicable to the Group:

AASB 9: Financial Instruments and associated Amending Standards (effective for annual reporting periods beginning on or after 1 January 2018).

The standards will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

It is anticipated that the application of this standard will not have a material effect on the Group's results of financial reports in future periods.

(f) 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 year, the consolidated entity incurred a net loss of \$617,163 (2015: \$4,152,574 loss) and a net cash inflow of \$26,456 (2015: \$46,378 outflow) and net cash out flow from operations of \$123,407 (2015: \$422,163). As at 30 June 2016, the consolidated entity also had a deficiency of working capital of \$760,815 (2015: \$260,840) and cash assets of \$72,363 (2015: \$45,907).

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:

- Extending the maturity of amounts due to directors and other related parties;
- Reducing management and administration costs;
- Seeking other funding opportunities through various transactions including mergers or joint ventures;
- The Board has resolved that a capital equity raising is to take place prior to December 2016. This will be in addition to the conversion of some debt to equity. The Company will seek shareholder approval at the upcoming Annual General Meeting for these initiatives;
- By issuing equity to settle future liabilities, if appropriate;
- Adopting all appropriate measures to ensure that cash flows remain sufficient to ensure that it remains a going concern.

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 unable to realise its assets or discharge its liabilities in the normal ordinary course of business and at the amounts stated in the financial report.

(g) Reverse Acquisition Accounting

Dateline Resources Limited is listed on the Australian Securities Exchange. Dateline Resources Limited completed the legal acquisition of Dateline Fiji Pty Limited on 3rd October 2013.

Under the principles of AASB 3 *Business Combinations* Dateline Fiji Pty Limited was deemed to be the acquirer for accounting purposes. Therefore, the transaction has been accounted for as a reverse acquisition under AASB3. Accordingly, the consolidated financial statements of Dateline Resources Limited have been prepared as a continuation of the consolidated financial statements of Dateline Fiji Pty Limited.

(h) Revenue recognition

Interest Revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(i) Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax is recognised except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will not reverse in the foreseeable future and the group is able to control the timing of the reversal of the temporary differences.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and deferred tax liabilities shall be offset only if:

- (i) there is a legally enforceable right to set-off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (a) the same taxable entity; or
 - (b) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Comprehensive Income.

(j) Other taxes

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with amounts of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Commitments or contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(l) Plant and equipment

Owned assets

Items of plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a work condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components).

Subsequent costs

The Group recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

Depreciation

Depreciation is charged to the Statement of Comprehensive Income using a straight line method over the estimated useful lives of each part of an item of plant and equipment.

The estimated useful lives in the current financial year are as follows:

- Plant and equipment 3 years.
- Office Equipment 3 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

(m) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) The rights to tenure of the area of interest are current; and
- (ii) At least one of the following conditions is also met:
 - (a) The exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) Exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then classified to development.

(n) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(o) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) Investments and other financial assets

Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

Loans and receivables

Loans and receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (Note 12 Trade & Other Receivables) in the Statement of Financial Position.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivable are subsequently carried at amortised cost using the effective interest method.

Details on how the fair value of financial instruments is determined is disclosed in Note 17: Financial Risk Management.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or

prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(i) Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

(ii) Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

(r) Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

(i) Exploration & Evaluation Expenditure

The Group's accounting policy for exploration and evaluation is set out in Note 2(m) above. If, after having capitalised expenditure under this policy, the Directors conclude that the Group is unlikely to recover the expenditure by future exploration or sale, then the relevant capitalised amount will be written off to the Statement of Comprehensive Income.

(ii) Impairment of Capitalised Exploration & Evaluation Expenditure

During the year ended 30 June 2015, circumstances indicated that an impairment of the exploration expenditure may have been incurred and according a valuation took place. As a result, the group's capitalised exploration expenditure is stated at its fair value less cost to sell and an impairment loss was recognised. Refer to Note 11 for more information regarding the estimate of the fair value and key assumptions used.

(iii) Valuation of tenements held by Golden Phoenix Limited

During the year the Group acquired Golden Phoenix Resources Limited and accordingly a valuation of the tenements owned by GPR took place. Refer to Note 11 for more information regarding the estimate of the fair value and key assumptions used.

3. SEGMENT INFORMATION

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

The segments are consistent with the internal management reporting information that is regularly reviewed by the chief operating decision maker, being the Board of Directors.

The reportable segments are based on aggregated operating segments determined by the similarity of economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

Management has identified two reportable operating segments based on the two principal locations of its projects – Australia and Fiji. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments. Segment assets include the costs to acquire tenements and the capitalised exploration costs of those tenements.

	Australia	Fiji	Consolidation Entries	TOTAL
30 June 2016	A\$	A\$	A\$	A\$
Revenues	23,293	-	-	23,293
Segment Result	(613,990)	(3,173)	-	(617,163)
Total Segment Assets	13,568,814	4,125,899	(13,011,688)	4,683,026
Total Segment Liabilities	2,720,226	4,818,720	(6,657,126)	881,821
	A\$	A\$	A\$	A\$
30 June 2015				
Revenues	(16,689)	(908)	-	(17,597)
Segment Result	(600,918)	(4,421,612)	510,527	(4,512,003)
Total Segment Assets	12,370,503	3,997,836	(12,678,581)	3,689,758
Total Segment Liabilities	2,076,053	4,768,350	(6,505,125)	339,278

4. INTEREST INCOME	30-Jun-16	30-Jun-15
	\$	\$
Interest Income	23,293	17,597
	<u>23,293</u>	<u>17,597</u>
5. ADMINISTRATION EXPENSES	30-Jun-16	30-Jun-15
	\$	\$
Consulting and corporate expenses	243,310	390,726
Compliance and regulatory expenses	24,953	24,445
Depreciation expenses	11,805	13,025
Other administration expenses	106,254	171,974
	<u>386,322</u>	<u>600,170</u>
6. INCOME TAX EXPENSE	30-Jun-16	30-Jun-15
	\$	\$
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(617,163)	(4,512,003)
Tax at the Australian tax rate of 30% (2015 - 30%)	(185,149)	(1,353,601)
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible / (deductible) expenditure	-	48,708
Difference in overseas tax rates	-	201
Temporary difference not brought to account	185,149	1,304,692
Income tax expense	<u>-</u>	<u>-</u>
(c) Tax losses		
Unused tax losses *	3,752,557	3,567,408

* The entities in the group have not formed a tax consolidated group. The unused tax losses consisted of tax losses from entities in the group which calculate their own income tax position on a stand alone basis.

7. CASH & CASH EQUIVALENTS	30-Jun-16	30-Jun-15
	\$	\$
Cash at bank and in hand	72,363	45,907
	<u>72,363</u>	<u>45,907</u>
(a) Reconciliation of net profit/(loss) after tax to net cash flows used in operating activities	30-Jun-16	30-Jun-15
	\$	\$
Net profit / (loss) after income tax	(617,163)	(4,512,004)
Adjustments for :		
Depreciation	11,805	10,039
Exploration expenditure written off	233,250	-
Impairment of capitalised exploration costs	-	3,887,581
Change in assets and liabilities		
(Increase)/decrease in trade and other receivables	4,127	32,556
(Increase)/decrease in financial assets	13,849	40,919
Increase/(decrease in trade and other payables	230,725	118,746
Net cash flows used in operating activities	<u>(123,407)</u>	<u>(422,163)</u>
8. TRADE & OTHER RECEIVABLES	30-Jun-16	30-Jun-15
	\$	\$
Other receivables	28,273	12,895
	<u>28,273</u>	<u>12,895</u>

(a) Trade receivables past due but not impaired

There were no trade receivables past due but not impaired.

(b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 17 for more information on the risk management policy of the Group and the credit quality of the Group's trade receivables.

9. FINANCIAL ASSETS	30-Jun-16	30-Jun-15
	\$	\$
ANZ term deposits	20,370	19,635
	<u>20,370</u>	<u>19,635</u>

ANZ term deposits are held as security for bonds required by the Fijian Mineral and Resources Department in regard to the tenements that Matai Holdings (Fiji) Limited holds at Udu Point.

Refer to Note 17 for more information on the risk management policy of the Group and the credit quality of the Group's Financial Assets.

10 PLANT & EQUIPMENT	30-Jun-16	30-Jun-15
	\$	\$
Carrying amount of plant & equipment	5,710	11,321

(a) Plant and equipment

At Cost	53,682	53,682
Less accumulated depreciation	(53,559)	(53,129)
Total plant and equipment	<u>123</u>	<u>553</u>
Movement during the year		
Balance at the beginning of the year	553	4,515
Depreciation expense	(430)	(3,962)
Balance at the end of the year	<u>123</u>	<u>553</u>

(a) Office equipment

At Cost	51,773	35,297
Less accumulated depreciation	(46,186)	(24,529)
Total office equipment	<u>5,587</u>	<u>10,768</u>
Movement during the year		
Balance at the beginning of the year	10,768	19,831
Additions	6,194	-
Depreciation expense	(11,375)	(9,063)
Balance at the end of the year	<u>5,587</u>	<u>10,768</u>

11. EXPLORATION & EVALUATION EXPENDITURE

	30-Jun-16	30-Jun-15
	\$	\$
Carrying amount of exploration expenditure	4,556,309	3,600,000
Movement during the year		
Balance at the beginning of the year	3,600,000	6,905,340
Expenditure incurred during the year	339,559	582,241
Impairment of Capitalised Exploration Expenses	-	(3,887,581)
Tenements acquired on acquisition of GPR	850,000	-
Expenditure written off during the year	(233,250)	-
Balance at the end of the year	<u>4,556,309</u>	<u>3,600,000</u>

Exploration and evaluation expenditure capitalised relates to expenditure incurred and capitalised for the Udu Polymetallic Exploration Project in Fiji and has been accounted for in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. The fair value of the tenements acquired on acquisition of GPR have also been accounted for here.

The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation, or alternatively, the sale of the respective area of interest and also dependent on the group's ability to renew the expired tenements without exception.

Expenditure Written off During the Year

Tenement E09/2035 was not renewed during the year. Having relied on the independent valuation as provided by Minnelex for E09/2035, the Board has determined that this asset had a value of \$233,250 and that as a result of the non-renewal of the tenement, this asset should be written off.

Impairment of the assets and estimate of the fair value

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The ultimate recoverability of exploration and evaluation expenditure is dependent upon the successful development and exploitation of the area of interest, or alternatively, by its sale.

The Board determined that impairment indicators were present during the previous financial year and engaged an independent third party expert to determine the fair value of exploration and evaluation assets as at 30 June 2015. The preferred fair value given in the report is \$3,591,621. The value falls within level 3 of the fair value hierarchy due to one or more significant inputs not being based on observable market data. Although observable market transactions and market information are not fully available, the valuation estimates the fair value at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset). The board of directors also concluded that the costs of selling the asset are not material for the financial report and will approximate the recoverable amount of the asset to its preferred fair value given in the valuation report.

Having relied on the independent valuation as provided by Minnelex, the Board has determined that it forms a reasonable basis for the estimation of the fair value as defined by AASB 13 Fair value Measurement and that all the tenements will be successfully renewed as stated in the above paragraph.

The valuation assessment adopted a hybrid fair value approach by taking the average results of two methods:

1. **Multiple of exploration expenditure:** Fair value is determined based on the total direct expenditure incurred for each relevant tenement. A multiple is then applied based on current market conditions ultimately determined by the independent third party expert.
2. **Geoscientific method:** Fair value is determined by breaking the value of the asset down into two components:
 - (i) Value of tenement Licenses ("ELS"). The price a market participant is willing to pay for the rights to each tenement; and
 - (ii) Resource value ("UDU") which calculates the value of resources underground based on inferred quantities of the resource.

A number of unobservable inputs were used in determining fair value. The key unobservable inputs are as follows:

- Geoscientific factors: 6-22.5;
- Prospective Enhancement Multiplier: 1.1-1.4;
- Past Expenditure \$8m;
- Budget:\$50,000;
- In ground value: 1%-1.5%
- Current depressed market reduction: 50%;
- Ore recoverability: 75%;
- Grades:
 - Zinc – 3.9
 - Copper – 1.2
 - Gold 0.3
 - Silver 29
- Tonnes: 4,530,000
- Resource factor: 0.75%-1.25%;
- Resources factor reduction: 40%; and
- Basic acquisition cost of tenements calculated at \$2,500 per square kilometre.

The unobservable inputs outlined above have a direct relationship to fair value as they underpin the value assigned to each tenement.

The key observable input used in determining fair value for each valuation method is as follows:

- Market price of metals at the date of the report
 - Zinc - \$AUD 2,731
 - Copper \$AUD 8,063
 - Gold \$AUD 1,568
 - Silver \$AUD21

The valuation report provided the following range for the fair value of the assets and the board determined the mid-point of \$3,600,000 to be the most appropriate recoverable amount:

Low A\$	High A\$	Average A\$
3,000,000	4,400,000	3,600,000

The valuation assessment and the related impairment test led to the recognition of an impairment loss of \$3,887,581 in the statement of profit or loss in the year ended 30 June 2015. This impairment loss has resulted in a carrying value of the asset of \$3,600,000 as at 30 June 2015.

Tenements Acquired by the Group on Acquisition of GPR

The value of the tenements acquired by the Group on acquisition of GPR were based upon the fair value determined by the completion of an independent expert’s report by Minnelex Pty Limited (“Minnelex”) who provide Geological Consulting Services and Valuations.

The valuation of the tenements at the date of the independent expert’s report, reflected the value that the tenements would change hands in an open and unrestricted market between a willing buyer and a willing

seller in an "arm's length" transaction, with each party acting knowledgeably, prudently and without compulsion.

The report considered several valuation methodology including :

- The multiple of exploration method,
- The actual transmission method,
- The comparable transaction method,
- The expected value method,
- The geoscientific method,
- The appraised method
- The rating system method (Geoscientific), and
- The yardstick method.

After consideration of the above available Methods, Minnelex determined that the value of the tenements was best gauged by the combination of the **geoscientific** method and the **appraised method** applying a weighting of 50% from each valuation methodology.

A number of unobservable inputs were used in determining fair value. The key unobservable inputs are as follows:

- Favourable Cu/Sc ratios on soil samples and similar geochemically and structurally to and along strike of the nearby ABRA deposit.
 - ABRA mineralisation:
 - 93 MT (million tonnes) of 4% Pb, 10 g/t Ag
 - 14 MT of 0.6% Cu, 0.5 g/t Au
- Basic acquisition cost : \$600 per sq.km
- Geoscientific Factors : Low 0.78, High 2.53
- Prospectivity Enhancement Multiplier : 1.75 - 2
- Past expenditure \$334,000

The unobservable inputs outlined above have a direct relationship to fair value as they underpin the value assigned to each tenement.

The key observable input used in determining fair value for each valuation method is as follows:

- The ELs cover separate copper geochemical anomalies defined by the GSWA.
- The GSWA has compiled the geochemical data which was the basis for the initial interest in the area.
- Total square KM of 1048.9

The valuation report provided the following range for the fair value of the assets and the board determined the average value of \$850,000 to be the most appropriate value for the acquired tenements.

	\$ Low	\$ High	Av sum
Geoscientific	473,547	1,521,892	
Appraised	654,500	748,000	
Averaged	564,023	1,134,946	849,485

12. TRADE & OTHER PAYABLES	30-Jun-16	30-Jun-15
	\$	\$
Trade and sundry creditors	450,031	57,562
Accruals	152,262	131,715
	<u>602,293</u>	<u>189,277</u>

Trade & other payables are non-interest bearing and are predominantly settled on 30-day terms.

13. LOANS FROM RELATED PARTIES	30-Jun-16	30-Jun-15
	\$	\$
Current		
Amounts owed to Southern Cross Resources NL	244,528	150,000
Amounts owed to Mr. Mark Johnson	35,000	-
Total current loans from shareholders	<u>279,528</u>	<u>150,000</u>

The 2016 Balance of \$279,528 is composed of unsecured loan from Southern Cross Exploration NL. and Mr Mark Johnson. Details of the loans are as follows:

Loan from Southern Cross Exploration NL :

- Loan facility and drawdown amount: \$550, 000 with \$244,528 remaining unpaid at year end;
- Interest rate: 10% per annum
- Repayment date: the later of 31 August 2015 and 6 months from the issue of a notice in writing from the lender to the borrower requesting repayment of the principal sum.

During the year, interest of \$20,872 relating to the loan was recognised in the income statement and remained unpaid as at 30 June 2016.

Loan from Mr Mark Johnson :

- Loan facility of \$35,000 provided by Mr Johnson.
- Interest rate: 10% per annum
- 6 months from the issue of a notice in writing from the lender to the borrower requesting repayment of the principal sum.

As the loan from Mr Johnson was received in the last week of the financial year, no interest relating to the loan was recognised in the income statement and remained unpaid as at 30 June 2016.

14. CONTRIBUTED EQUITY	Consolidated	
	2016	2015
(a) Share Capital		
Ordinary Capital		
Number of Shares	101,300,416	76,300,000
Paid Up	\$8,766,335	\$7,763,196

(b) Movements in Share Capital

		Consolidated	
		Number of Shares	\$
01 Jul 2015	Opening Balance	76,300,000	7,763,196
16 Oct 2015	Issue of shares to vendors of GPR	24,940,121	1,000,720
12 Nov 2015	Issue of shares to vendors of GPR	60,295	2,419
30 June 2016	Closing Balance	<u>101,300,416</u>	<u>8,766,335</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

At shareholders meetings, each ordinary share is entitled to one vote per share when a poll is called, otherwise each shareholder has one vote on a show of hands.

At 30 June 2016 there were 101,300,416 fully paid ordinary shares on issue, all of which are freely tradeable. There are no preference shares on issue.

(c) Capital Management

The Group's capital includes share capital, reserves and accumulated losses. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to achieve this, the Group may issue new shares in order to meet its financial obligations. There are no externally imposed capital requirements.

15. RESERVES

	<u>30-Jun-16</u>	<u>30-Jun-15</u>
	\$	\$
Foreign Currency Translation Reserve	<u>411,602</u>	<u>625,694</u>

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

16. EARNINGS PER SHARE

The calculation of basic loss per share at 30 June 2016 was based on the loss attributable to ordinary shareholders of \$617,163 (2015: loss \$4,512,003) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2016 of 93,967,067 (2015: 73,209,341) calculated as follows:

(a) Basic profit/(loss) per share

	<u>30-Jun-16</u>	<u>30-Jun-15</u>
Net profit/(loss) per share attributable to ordinary equity holders of the Company (\$)	(\$617,163)	(\$4,512,003)
Weighted average number of ordinary shares for basis per share	93,967,067	73,209,341
Continuing operations		
- Basic profit/(loss) per share (cents)	(0.66)	(6.16)

(b) Diluted profit/(loss) per share

Potential ordinary shareholders are not considered dilutive, thus diluted profit/(loss) per share is the same as basic loss per share.

17. FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments consist of deposits with banks, receivables, other financial assets and payables. At the reporting date, the Group following mix of financial assets and liabilities.

	<u>30-Jun-16</u>	<u>30-Jun-15</u>
	\$	\$
Financial Assets		
Cash & cash equivalents	72,363	45,907
Trade & other receivables	28,273	12,895
Financial Assets	<u>20,370</u>	<u>19,635</u>
	<u>121,005</u>	<u>78,437</u>
Financial Liabilities		
Trade & other payables	602,293	189,277
Loans from Related Parties	<u>279,528</u>	<u>150,000</u>
	<u>881,821</u>	<u>339,277</u>
Net exposure	<u>(760,815)</u>	<u>(260,840)</u>

Financial risk management

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, foreign currency risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. Primary responsibility for identification and control of financial risks rests with the Board of Directors.

(a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk as it invests funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate deposits.

	<u>30-Jun-16</u>	<u>30-Jun-15</u>
	\$	\$
Financial Assets		
Cash & cash equivalents	72,363	45,907
Financial Liabilities		
Loans from Related Parties	279,528	150,000

Sensitivity

Based on interest bearing financial assets and liability stated above, management has not presented the sensitivity analysis as the results are immaterial.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financing loss from

defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Group's maximum exposure to credit risk. All trade and other receivables are due within 30 days and none are past due.

(i) Cash

The Group's primary banker is National Australia Bank. The Board considers the use of this financial institution, which has a short term rating of A-1+ from Standards and Poors to be sufficient in the management of credit risk with regards to these funds.

	<u>30-Jun-16</u>	<u>30-Jun-15</u>
Cash at Bank and short term banks deposits	\$	\$
Standard & Poors Rating : A-1+	72,363	45,907

(ii) Trade & other receivables

While the Group has policies in place to ensure that transactions with third parties have an appropriate credit history, the management of current and potential credit risk exposures is limited as far as is considered commercially appropriate. Up to the date of this report, the Board has placed no requirement for collateral on existing debtors.

(iii) Other financial assets

ANZ term deposits are held as security for bonds required by the Fijian Mineral and Resources Department in regard to the tenements that Matai Holdings (Fiji) Limited holds at Udu Point. The Board considers the use of this financial institution, which has a short term rating of A- from Standards and Poors to be sufficient in the management of credit risk with regards to these funds.

(c) Foreign currency risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Fijian dollar. The group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian Dollars, was as follows:

	<u>30-Jun-16</u>	<u>30-Jun-15</u>
	\$	\$
Cash at Bank and short term banks deposits	37,624	29,354
Receivables	1,856	1,561
Payables	25,852	50,698

Management has set up a policy requiring group companies to manage their foreign exchange risk against their functional currency. Due to the limited scope of the overseas activities and group's strict control on the cash flow, the risk is considered to be limited to the group. Management has not presented the sensitivity analysis as the results are immaterial.

(d) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group has no borrowings.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by continually monitoring cash reserves and cash flow forecasts to ensure that financial commitments can be met as and when they fall due.

The terms of the group's financial liabilities are detailed in note 13.

18. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

	<u>30-Jun-16</u>	<u>30-Jun-15</u>
	\$	\$
Compensation by category		
Short term employee benefits	155,063	97,000
	<u>155,063</u>	<u>97,000</u>

Information regarding individual Directors and Executive compensation and some equity instruments disclosures as permitted by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the Directors' report.

(b) Material contracts

(i) Directors' Deeds of Indemnity

With every Director appointment, the Group enters into a deed of indemnity, insurance and access with each of its Directors. During the 2015 financial year the Group entered into of Deed of Indemnity with Mr Baghdadi and Mr Hall, with effect from their appointment dates. Under these deeds, the Group agrees to indemnify each Director to the extent permitted by the Corporations Act 2001 against any liability arising as a result of the Director acting in the capacity as a Director of the Group. The Group is also required to maintain insurance policies for the benefit of the Directors and must also allow the Directors to inspect Group documents in certain circumstances.

(ii) Loans to Directors

There were no loans made to Directors during the financial year 1 July 2015 to 30 June 2016.

(iii) Other Fees Paid to/accrued for Directors

Other than that provided in the remuneration section of the Directors' report, there were no other fees paid to Directors.

(iv) Balances outstanding

As at 30 June 2016 the following amounts were unpaid to KMP and or Directors:

	<u>30-Jun-16</u>	<u>30-Jun-15</u>
	\$	\$
Mr Hall is a Director of Golden Phoenix International Pty Ltd who is a creditor of Golden Phoenix Resources Limited	332,111	-
Mr Baghdadi	95,000	35,000
Mr Smith	20,180	-

19. RELATED PARTY DISCLOSURES

(i) Key management personnel

Disclosures relating to directors and executives are set out in note 18 Key Management Personnel Disclosures.

(ii) Payment to and Loan received from shareholders

- In November 2014, the Group and SXX entered into a short-term loan agreement. SXX advanced \$550,000 to the company to fund a proposed project. The Balance outstanding as at 30 June 2016 was \$244,528 (2015: \$172,192) including interest.

In September 2015 \$41,000 was advanced by SXX. In June 2016 a further \$35,000 was advanced by SXX.

An accrued interest expense of \$20,872 (2015: \$19,848) was recognised in the income statement and remained unpaid as at 30 June 2016.

Refer to note 13 for more information about the loan.

- In June 2016, a short term loan of \$35,000 was provided to the Group by Mr Mark Johnson. As the loan from Mr Johnson was received in the last week of the financial year, no interest relating to the loan was recognised in the income statement and remained unpaid as at 30 June 2016.

Refer to note 13 for more information about the loan.

(iii) Subsidiaries and associates

Name of subsidiary	Country of Incorporation	Ownership	Ownership
		Interest (%) 30.6.16	Interest (%) 30.6.15
Dateline Fiji Pty Limited (a)	Australia	100%	100%
Matai Holdings (Fiji) Ltd (b)	Fiji	100%	100%
Golden Phoenix Resources Limited	Australia	100%	-
Golden Phoenix Australia Pty Ltd	Australia	100%	-
Golden Phoenix (China) Ltd	China	100%	-
Exploration Mining & Advanced Technology Ltd	China	100%	-
Golden Phoenix Xiang-Xi Ltd	China	100%	-
Golden Phoenix Copper (East Africa)	Mauritius	100%	-
Phoenix (Africa) Gold Resources	Mauritius	100%	-

20. COMMITMENTS

(a) **Exploration & Evaluation Commitments**

	<u>30-Jun-16</u>	<u>30-Jun-15</u>
	\$	\$
Within one year	546,318	135,077
After one year but not more than five years	1,689,930	1,229,981
After more than five years	-	-
Total minimum commitment	<u>2,236,249</u>	<u>1,365,058</u>

The commitments above are subject to mining expenditure. They relate to the exploration tenements granted to, and under application by the Group.

(b) **Lease commitments**

Operating lease contracted for office rental payable for next twelve month is \$Nil (2015:\$Nil)

21. SUBSEQUENT EVENTS

There have been no other subsequent events since financial year end which require disclosure or adjustment in the financial report.

22. CONTINGENT LIABILITIES

No contingent liabilities were noted by the Group for the financial year ended 30 June 2016 (2015: nil).

23. DIVIDENDS

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

24. REMUNERATION OF AUDITORS

	<u>30-Jun-16</u>	<u>30-Jun-15</u>
	\$	\$
Amounts received or due and receivable by auditors.		
(a) HLB Mann Judd Assurance (NSW) Pty Ltd		
An audit or review of the financial report of the Company	32,508	-
(b) Duncan Dovico Risk and Assurance Pty Ltd		
An audit or review of the financial report of the Company	<u>-</u>	<u>39,300</u>

25. PARENT ENTITY INFORMATION

(a) Financial Position	30-Jun-16	30-Jun-15
	\$	\$
Assets		
Current assets	66,155	42,560
Non-current assets	944,610	-
Total Assets	1,010,765	42,560
Liabilities		
Current liabilities	708,182	288,143
Non-Current liabilities	-	-
Total Liabilities	708,182	288,143
Net Assets/(Liabilities)	302,583	(245,583)
Equity		
Issued equity	7,304,362	6,301,223
Reserves	429,181	429,181
Retained earnings	(7,430,460)	(6,975,987)
Total Equity	303,083	(245,583)
(b) Financial Performance	30-Jun-16	30-Jun-15
	\$	\$
Loss for the year	454,973	2,678,481
Other comprehensive income	-	-
Total Comprehensive Income	454,973	2,678,481

The disclosures relating to the year ended 30 June 2015 have been restated to reflect the results of the legal parent of the group as the amounts included in the Annual Report of the Group for the year ended 30 June 2015 disclosed the accounting parent of the group.

(c) GUARANTEES ENTERED INTO BY THE PARENT ENTITY

No guarantees have been entered into by the parent entity in relation to the debts of its subsidiaries.

(d) COMMITMENTS AND CONTINGENCIES OF THE PARENT ENTITY

There were no commitments and contingencies for the parent entity as at 30 June 2016 and 2015.

26. TRANSFER OF FOREIGN CURRENCY TRANSLATION RESERVE

During the year ended 30 June 2016 it was determined that a transfer between accumulated losses and foreign currency translation reserve of \$278,839 was required to reflect transactions previously recognised in these balances as at 30 June 2015. Given this transfer had no impact on the net assets of the Group it was considered immaterial and therefore did not require prior year financial statements to be restated.

27. ENTITIES ACQUIRED DURING THE YEAR

(a) Summary of acquisitions

On 16 October 2015 the Group acquired 99.76% of the issued capital of Golden Phoenix Resources Ltd and acquired the remaining 0.24% on 12 November 2015. Golden Phoenix Resources Ltd is an unlisted public exploration company had 3 granted exploration licenses that comprise the Augustus sedimentary copper project located in the Gascoyne region of Western Australia.

(b) Purchase consideration

The purchase consideration paid to the shareholders of Golden Phoenix Resources Ltd was the issue of 25,000,416 fully paid ordinary shares in Dateline Resources Limited, deemed to have a fair value of \$1,003,139 representing the fair value of assets and liabilities acquired as detailed below.

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

	Fair Value
	\$
Cash and cash equivalents	308,792
Trade and other receivables	8,064
Financial assets	12,176
Tenements at Fair Value	850,000
Plant and equipment	6,397
Trade and other payables	(171,852)
Provisions	(10,438)
	<u>1,003,139</u>

The fair value of the tenements at the date of acquisition was determined by an independent third party expert. The value was calculated with reference to estimated deposits as well as exploration expenditure incurred to date. (See note 11 for further details).

(c) Purchase consideration – cash flow

	\$
Inflow of cash to acquire, net of cash acquired	
Cash consideration	-
Cash balances acquired	308,792
Inflow of cash-investing activities	<u>308,792</u>

DATELINE RESOURCES LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2016

In the Directors' opinion:

- a) the financial statements and notes set out on pages 12 to 38 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the financial year ended on that date, and
- b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Equivalent Chief Executive Officer and the Equivalent Chief Financial Officer required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'Mark Johnson'.

Mr Mark Johnson
Non-Executive Chairman
26 September 2016

INDEPENDENT AUDITOR'S REPORT

To the Board of Dateline Resources Limited

We have audited the accompanying financial report of Dateline Resources Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 2, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and its controlled entities' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

- (a) the financial report of Dateline Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion, we draw attention to Note 2(f) (Going concern) in the financial report, which indicates that the consolidated entity incurred a net loss of \$617,163 during the year ended 30 June 2016 and, as of that date, had cash of \$72,363 and deficiency of working capital of \$760,815.

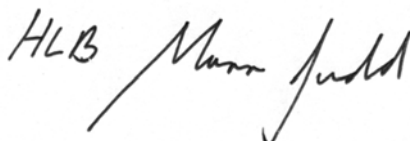
These conditions, along with other matters as set forth in Note 2(f) (Going concern), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

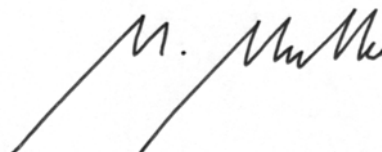
We have audited the Remuneration Report included in pages 8 to 9 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Dateline Resources Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.



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



**M D Muller
Director**

**Sydney, NSW
26 September 2016**

The following additional information was applicable as at 23 September 2016.

1. Number of Holders of each class of equity security and the voting rights attached:

Class of Security	No. of Holders	Voting Rights Attached
Ordinary Shares	337	Each shareholder is entitled to one vote per share held
Unlisted Options	0	N/A

There are a total of 101,300,416 ordinary fully paid shares on issue. There are no shares subject to voluntary escrow.

2. Distribution schedule of the number of holders of fully paid ordinary shares is as follows:

Distribution of Holders	Number of Fully Paid Ordinary Shareholders
1 - 1,000	58
1,001 - 5,000	11
5,001 - 10,000	34
10,001 - 100,000	140
100,001 and above	82

3. Holders of non-marketable parcels

Holders of non-marketable parcels are deemed to be those who shareholding is valued at less than \$500.

- There are 161 shareholders who hold less than a marketable parcel of shares.
- The number of fully paid ordinary shareholdings held in less than marketable parcels is 1,771,172.

4. Substantial shareholders

As at report date there are two substantial shareholders.

5. Share buy-backs

There is no current on-market buy-back scheme.

6. Director Share Plan

On 18 November 2011, Shareholders approved the implementation of the “Director Share Plan” (Director Plan). An Eligible Participant who is invited to subscribe for Director Plan shares may also be invited to apply for a non-recourse loan up to the amount payable in respect of the shares accepted by the Eligible Participant.

There are currently 500,000 shares that have been issued under this Director Plan with the subscription price having been funded by the Company for these shares in accordance with the terms and conditions of the Director Plan. These shares are currently under a Company-imposed trading lock until such a time as the loan has been repaid.

While these are issued shares for legal and taxation purposes, Accounting Standards require they be recognised as shares issued at nil value and accounted for as options with a share-based payment expense to the Company. The repayment term of each loan to the Eligible Participant is four (4) years. The loans are interest free. A full summary of the Director Plan was set out in the Notice of Meeting dated 17 October 2011.

7. Top 20 Shareholders

The top 20 largest fully paid ordinary shareholders together held 80.34% of the securities in this class and are listed below:

RANK	HOLDER NAME	QUANTITY	% HOLDING
1	JOHNSON MARK RODERICK G	26,588,875	26.25%
2	SOUTHERN CROSS EXPL NL	20,010,001	19.75%
3	OMAROO PL	4,999,887	4.94%
4	MA LAN PL	4,999,887	4.94%
5	MONTEREY CONSOLIDATED SVC	4,939,312	4.88%
6	GECKO RES PL	4,511,032	4.45%
7	CAPP STEWART	2,681,875	2.65%
8	DIEMAR & ASSOC PL	1,778,694	1.76%
9	ZHEN HUANG	1,559,783	1.54%
10	HAWTHORN CAP PL	1,425,000	1.41%
11	GRIGORIADIS PETER TAKIS	1,215,767	1.20%
12	M & K KORKIDAS PL	1,215,257	1.20%
13	BUSHDAWN PL	1,000,000	0.99%
14	WEBBER JULIE	1,000,000	0.99%
15	DIAS EMANUEL JOSE F	859,610	0.85%
16	TOMSETT PETER	592,412	0.58%
17	IDEA CAP PL	524,746	0.52%
18	BAGNALL JOHN	500,000	0.49%
19	NATIONAL NOM LTD	500,000	0.49%
20	DUGGAN ANDREW STUART	470,000	0.46%
TOP 20 TOTAL		81,372,138	80.34%

8. Unquoted Equity Securities

The Company has no listed unquoted equity securities on issue

9. Interest in Mining Licences

The Company is an exploration entity, below is a list of its interest in licences, where the licences are situated and the percentage of interest held.

Project	Number	Ownership	Location
Udu	SPL1387	100%	Fiji
Udu	SPL1396	100%	Fiji
Udu	CX814	Application 100%	Fiji
Udu	CX815	Application 100%	Fiji
Mt Augustus	E09/2030	100%	Western Australia
Mt Augustus	E09/2031	100%	Western Australia
Mt Augustus	E09/2117	100%	Western Australia
Mt Augustus	E09/2118	100%	Western Australia