



DATELINE RESOURCES LIMITED

ACN 149 105 653

OFFER DOCUMENT

Non-Renounceable Rights Issue

A 1 for 2 non-renounceable rights issue by Dateline Resources Limited ACN 149 105 653 of up to 200,247,902 new fully paid ordinary shares at \$0.02 per share to raise a maximum of \$4,004,958.04 before costs. The rights issue is not underwritten.

Last date for acceptance and payment

5.00pm AEST on 9 August 2017

If you are an Eligible Shareholder (with registered address in Australia or New Zealand and holding Shares at the Record Date of 26 July 2017), this is an important document and requires your immediate attention. This document and the accompanying Entitlement and Acceptance Form should be read in their entirety. If you are in doubt about what to do, you should consult your professional adviser without delay.



31 July 2017

Dear Shareholder

LETTER OF OFFER: NON-RENOUNCEABLE RIGHTS ISSUE

The board of directors (**Directors**) of Dateline Resources Limited ACN 149 105 653 (**the Company**) is pleased to offer you the opportunity to participate in a 1 for 2 pro-rata non-renounceable rights issue, as set out in this letter of offer.

The offer is available to all eligible shareholders who are, as at 7.00pm AEST on 26 July 2017 (**Record Date**), registered with a registered address in Australia and New Zealand (**Eligible Shareholders**).

1. Introduction

1.1 Key Details

As announced on 21 July 2017, the Company invites Eligible Shareholders to participate in a pro-rata non-renounceable non-underwritten rights issue on the basis of 1 fully paid ordinary share in the Company (**Share**) for every 2 Shares held at an issue price of \$0.02 per Share (**Issue Price**). The rights issue will result in the issue of up to 200,247,902 new Shares (**New Shares**) to raise a total of up to \$4,004,958.04 (**Rights Issue**). As the Rights Issue is not underwritten, there is a risk that all New Shares will not be issued.

The funds raised under the Rights Issue will be used for general working capital purposes of the Company, including pursuing the Colorado Gold Project previously announced. Refer to section 2.3 below.

Any New Shares offered under the Rights Issue that are not applied for by Eligible Shareholders by the Closing Date under their entitlement will form part of the shortfall (**Shortfall**). The Directors reserve the right, subject to the *Corporations Act 2001 (Cth)* and the Listing Rules, to allocate any Shortfall (other than to Directors and related parties of the Company) to Eligible Shareholders that apply for New Shares additional to their Entitlement (refer section 3.4) or otherwise, to place any further Shortfall at their discretion within 3 months after the Closing Date (at a price not less than the Issue Price of \$0.02 per New Share).

The pro-forma consolidated balance sheet in Section 2.4 illustrates the effect of the Rights Issue on the Company.

1.2 Rights Issue pursuant to section 708AA of the Corporations Act

The Rights Issue is made pursuant to section 708AA of the *Corporations Act 2001 (Cth)* (**Act**), as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, without the issue of a prospectus or disclosure document under Chapter 6D of the Act. This letter of offer is not a prospectus, disclosure document or other offering document under the Act (or any other Australian or foreign law) and has not been lodged with the Australian Securities and Investments Commission.

The Company is a disclosing entity for the purpose of section 111AC of the Act and as such it is subject to regular reporting and disclosure obligations under section 674 of the Act and the ASX Listing Rules (**Listing Rules**). These obligations require the Company to notify ASX of information about specified events and matters as they arise for the purpose of ASX making that information available to the securities exchange conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately once it is or becomes aware of any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of securities issued by the Company.

For the Company to rely on the disclosure exemption in section 708AA of the Act, the Company is required to lodge a "cleansing notice" under section 708AA(2)(f) of the Act. That notice is required to:

- (a) set out any information that has been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

The Company has lodged a cleansing notice in respect of the Rights Issue with ASX on 21 July 2017.

Neither ASX nor ASIC takes any responsibility for the content of this document.

1.3 Timetable

The Rights Issue is being conducted in accordance with the following timetable:

Announcement of Rights Issue, and lodgement of Appendix 3B and Section 708AA(2)(f) cleansing notice	Friday, 21 July 2017
Despatch of notice to securityholders, including optionholders	Monday, 24 July 2017
"Ex" Date (date from which securities commence trading without the entitlement to participate in the Rights Issue)	Tuesday, 25 July 2017
Record Date (date for determining entitlements to participate in the Rights Issue) 7.00pm AEST	Wednesday, 26 July 2017
Despatch of Rights Issue offer document and personalised Entitlement and Acceptance Form to Eligible Shareholders	Monday, 31 July 2017
Closing Date for acceptances 5.00pm AEST	Wednesday, 9 August 2017

Securities quoted on a deferred settlement basis	Thursday, 10 August 2017
Notification to ASX of under subscriptions	Monday, 14 August 2017
Issue and allotment of New Shares and lodgement of Appendix 3B (final) with ASX	Wednesday, 16 August 2017
Despatch date of holding statements for new shares and deferred settlement trading ends	Wednesday, 16 August 2017

This timetable is indicative only and subject to change. The Company reserves the right to change the dates, including the Closing Date without prior notice, subject to the Listing Rules. Any extension of the Closing Date will have a consequential effect on the anticipated date for the allotment and issue of the New Shares.

2. Details of the Rights Issue

2.1 The Offer

The Company is making a pro-rata non-renounceable non-underwritten offer of New Shares to Eligible Shareholders to subscribe for 1 New Share for every 2 Shares held at the Record Date at the Issue Price of \$0.02 per New Share (the **Offer**). Fractional entitlements to New Shares will be rounded up to the nearest whole New Share.

Your entitlement to New Shares under the Rights Issue (**Entitlement**) is shown on the accompanying Entitlement and Acceptance Form. Details on how to accept the Offer are set out in section 3. An Offer document will be mailed to Eligible Shareholders on or about 31 July 2017 together with a personalised Entitlement and Acceptance Form.

2.2 Size of the Offer

The total number of New Shares to be issued under the Offer (and any placement of the Shortfall) will be approximately 200,247,902 (the exact number depends on the rounding up of individual holdings and whether any optionholders exercise options for the issue of Shares prior to the Record Date).

The table below sets out, for illustrative purposes only, the existing capital structure (before the Offer) together with the impact of the issue of the New Shares under the Offer.

Shares	Number
Existing Shares as at 28 July 2017	400,495,804
Maximum number of New Shares issued pursuant to the Offer (Note 1)	200,247,902
Total issued Shares following completion of the Offer (assuming Offer is fully subscribed) (Note 1)	600,743,706

Note 1: The above table assumes that no options are exercised before the Record Date. The Company has on issue 35,000,000 unlisted options (exercise price of \$0.04, expiry date 31 October



2019). If any options are exercised before the Record Date, the number of Shares on issue in the capital of the Company will increase and the number of New Shares issued under the Rights Issue will also increase.

If the Offer is fully subscribed, the effect of the Offer will be to increase the number of Shares on issue in the Company and increase the cash held by the Company by up to \$4,004,958.04 (before taking into account the expenses of the Offer). Expenses of the Offer are expected to be approximately \$50,000.

As the Rights Issue is not underwritten, there is a risk that all New Shares will not be issued under the Offer. The Directors reserve the right, subject to the Act and the Listing Rules, to allocate any Shortfall (other than to Directors and related parties of the Company) to Eligible Shareholders that apply for New Shares additional to their Entitlement (refer section 3.4) or otherwise, to place any further Shortfall at their discretion within 3 months after the Closing Date (at a price not less than the Issue Price of \$0.02 per New Share).

2.3 Use of funds of the Rights Issue

The purpose of the Rights Issue is to raise a maximum of \$4,004,958.04 (before costs and assuming the Offer is fully subscribed). Assuming that the maximum amount is raised under the Offer, the funds raised are intended to be allocated as follows:

Allocation for working capital purposes	Amount \$ (maximum)
Working capital, including pursuing the Colorado Gold Project previously announced	\$3,954,958.04
Costs of the Offer (brokerage, legal, printing, mailing, ASX Fees and share registry)	\$50,000.00
Total	\$4,004,958.04

2.4 Pro-Forma Balance Sheet

The following pro-forma consolidated balance sheet illustrates the effect of the Rights Issue on the Company. It has been prepared based on the reviewed half yearly financial statements as at 31 December 2016. It is not intended to represent the financial position of the Company upon completion of the Rights Issue. It is provided as an illustration of the effect of the Rights Issue. The actual impact on the Company is dependent on a range of factors, many of which are outside the control of the Company.

The unaudited pro-forma balance sheet as at 31 December 2016 below has been prepared on the basis of the accounting policies normally adopted by the Company and reflects the changes to its financial position as noted below. It has been prepared on the basis that the New Shares pursuant to the Offer in this letter of offer are issued. As the Offer is not underwritten, there is a risk that all New Shares will not be issued.

The pro-forma balance sheet has been prepared to provide Eligible Shareholders with information on the pro-forma assets and liabilities of the Company. The pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Pro-Forma Balance Sheet 1 100% Acceptance	31-Dec-16	Rights Issue	Adjusted
	\$	\$	\$
Current Assets			
Cash & cash equivalents	687,461	3,954,958	4,642,419
Trade & other receivables	56,363	-	56,363
Financial Assets	20,938	-	20,938
Total Current Assets	764,762	3,954,958	4,719,719
Non-Current Assets			
Fixed Assets	3,085	-	3,085
Mining Plant & Equipment	1,815,643	-	1,815,643
Exploration & evaluation expenditure	8,171,362	-	8,171,362
Total Non-Current Assets	9,990,090	-	9,990,090
TOTAL ASSETS	10,754,852	3,954,958	14,709,809
Current Liabilities			
Trade & other payables	556,335	-	556,335
Loans from Related Parties	32,279	-	32,279
Total Current Liabilities	588,614	-	588,614
Non-Current Liabilities			
Trade & other payables	3,844,258	-	3,844,258
Total Non-Current Liabilities	3,844,258	-	3,844,258
TOTAL LIABILITIES	4,432,872	-	4,432,872
NET ASSETS	6,321,980	3,954,958	10,276,937
Equity			
Contributed equity	11,304,584	4,004,958	15,309,542
Reserves	534,358	(50,000)	484,358
Accumulated losses	(5,516,962)	-	(5,516,962)
TOTAL EQUITY	6,321,980	3,954,958	10,276,937

Pro-Forma Balance Sheet 2 50% Acceptance	31-Dec-16	Rights Issue	Adjusted
	\$	\$	\$
Current Assets			
Cash & cash equivalents	687,461	1,952,479	2,639,940
Trade & other receivables	56,363	-	56,363
Financial Assets	20,938	-	20,938
Total Current Assets	764,762	1,952,479	2,717,240
Non-Current Assets			
Fixed Assets	3,085	-	3,085
Mining Plant & Equipment	1,815,643	-	1,815,643
Exploration & evaluation expenditure	8,171,362	-	8,171,362
Total Non-Current Assets	9,990,090	-	9,990,090
TOTAL ASSETS	10,754,852	1,952,479	12,707,330
Current Liabilities			
Trade & other payables	556,335	-	556,335
Loans from Related Parties	32,279	-	32,279
Total Current Liabilities	588,614	-	588,614
Non-Current Liabilities			
Trade & other payables	3,844,258	-	3,844,258
Total Non-Current Liabilities	3,844,258	-	3,844,258
TOTAL LIABILITIES	4,432,872	-	4,432,872
NET ASSETS	6,321,980	1,952,479	8,274,458
Equity			
Contributed equity	11,304,584	2,002,479	13,307,063
Reserves	534,358	(50,000)	484,358
Accumulated losses	(5,516,962)	-	(5,516,962)
TOTAL EQUITY	6,321,980	1,952,479	8,274,458

Notes to the pro-forma balance sheet:

The consolidated balance sheet of 31 December 2016 has been extracted from the reviewed half-yearly financial statements. No account has been taken of any trading or transactions of the Company since 31 December 2016 except for the transactions noted below.

- (a) The adjustment to share capital in Pro-forma Balance Sheet 1 reflects the issue of 200,247,902 New Shares pursuant to the Rights Issue (100% acceptance under the Offer) less approximately \$50,000 costs of the Offer; and
- (b) The adjustment to share capital in Pro-forma Balance Sheet 2 reflects the issue of 100,123,951 New Shares pursuant to the Rights Issue (50% acceptance under the Offer) less approximately \$50,000 costs of the Offer.

2.5 No rights trading

The Rights Issue is non-renounceable. Accordingly, there will be no trading of rights to subscribe for the New Shares pursuant to this letter of offer (**Rights**) on ASX and Rights may not be sold or transferred.

2.6 Offer not underwritten

The Rights Issue Offer is not underwritten.

Any New Shares not taken up by an Eligible Shareholder by the Closing Date will form part of the Shortfall. The Directors reserve the right, subject to the Corporations Act and the Listing Rules, to place any further Shortfall (other than to Directors and related parties of the Company) to Eligible Shareholders that apply for New Shares additional to their entitlement (refer section 3.4) or otherwise, at their discretion within 3 months after the close of the Offer (at a price not less than the Issue Price of \$0.02 per New Share).

2.7 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application under your Entitlement and Acceptance Form once it has been received by the Company.

2.8 Potential effect on control

Eligible Shareholders who take up their Entitlements in full should not have their interest in the Company diluted by the Offer (subject to immaterial movements as a result of rounding of Entitlements).

The following persons are shareholders holding more than 5% of the Company's issued share capital as at 28 July 2017:

Name	Number of Shares Held (before the Rights Issue)	% of issued capital (before Rights Issue)
Southern Cross Exploration NL	160,010,001 (Note 1)	39.95%
Mark Johnson (Non-Executive Director) (direct holding)	47,450,930	11.85%



Spinite PL	39,876,665	9.96%
Project Global Inv PL	25,000,000	6.24%

Note 1: The number of shares held assumes that no options that are held by this shareholder are exercised before the Record Date.

So far as the Company is aware and based on substantial holding notices that have been lodged prior to the date of this document, other than Southern Cross Exploration NL, there are no Shareholders with voting power of 20% or more in the Company.

The potential effect the Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including the level of acceptances by Eligible Shareholders and the level of any Eligible Shareholder and new investor demand in the event there is a Shortfall.

Following completion of the Rights Issue, if all New Shares under the Offer were issued, then the Offer will have no significant effect on the control of the Company, and the voting power of Southern Cross Exploration NL (assuming the entity takes up its full Entitlement) will remain unchanged at 39.95%. The Company does not expect the Rights Issue to give rise to any new effect on the control of the Company and the Directors will not offer any Shortfall to Eligible Shareholders or new investors that would result in those persons having voting power of 20% or more in the Company.

The potential effect of the Offer on the control of the Company is as follows:

- (a) If all Eligible Shareholders take up their Entitlements under the Offer, then the Offer will have no significant effect on the control of the Company. Southern Cross Exploration NL (assuming the entity takes up its full Entitlement) will hold 240,015,002 Shares, being 39.95% of the total issued capital.
- (b) If some Eligible Shareholders do not take up all of their Entitlements under the Offer, then the interests of those Eligible Shareholders will be diluted.
- (c) The proportional interests of Shareholders with registered addresses outside of Australia and New Zealand (if any), will be diluted because such ineligible foreign shareholders are not entitled to participate in the Rights Issue.
- (d) If the two largest shareholders, Southern Cross Exploration NL and Mark Johnson take up their full Entitlements under the Rights Issue, but no other Eligible Shareholders participate in the Rights Issue and the Directors do not issue any of the Shortfall within 3 months of the Closing Date, the voting power of Southern Cross Exploration NL and Mark Johnson will increase as shown below:

Name	Number of Shares Held (before the Rights Issue)	% of issued capital (before Rights Issue)	Number of Shares held after the Rights Issue	% of issued capital (after Rights Issue)
Southern Cross Exploration NL	160,010,001	39.95%	240,015,002	47.60%
Mark Johnson (Non-Executive Director) (direct holding)	47,450,930	11.85%	71,176,395	14.12%

- (e) The following tables set out the number of Shares and approximate percentage shareholding of Directors (and Director related entities) and substantial shareholders assuming they take up their full Entitlement and assuming different levels of acceptances by other Eligible Shareholders and prior to the placement of any Shortfall.

25% of Entitlements taken up by other Eligible Shareholders

Name	Number of Shares Held (before the Rights Issue)	% of issued capital (before the Rights Issue)	Number of Shares Held (after the Rights Issue)	% of issued capital (on completion of the Rights Issue)
Southern Cross Exploration NL	160,010,001	39.95%	240,015,002	43.13%
Mark Johnson (Non-Executive Director) (direct holding)	47,450,930	11.85%	71,176,395	12.80%
Spinite PL	39,876,665	9.96%	59,814,998	10.75%
Project Global Inv PL	25,000,000	6.24%	37,500,00	6.74%
Gregory Hall (Non-Executive Director)	9,999,887	2.49%	14,999,831	2.70%
Stephen Baghdadi (Executive Director, CEO)	62,000	0.015%	93,000	0.017%

50% of Entitlements taken up by other Eligible Shareholders

Name	Number of Shares Held (before the Rights Issue)	% of issued capital (before the Rights Issue)	Number of Shares Held (after the Rights Issue)	% of issued capital (on completion of the Rights Issue)
Southern Cross Exploration NL	160,010,001	39.95%	240,015,002	42.02%
Mark Johnson (Non-Executive Director) (direct holding)	47,450,930	11.85%	71,176,395	12.46%
Spinite PL	39,876,665	9.96%	59,814,998	10.47%
Project Global Inv PL	25,000,000	6.24%	37,500,00	6.56%
Gregory Hall (Non-Executive Director)	9,999,887	2.49%	14,999,831	2.63%
Stephen Baghdadi (Executive Director, CEO)	62,000	0.015%	93,000	0.016%

75% of Entitlements taken up by other Eligible Shareholders

Name	Number of Shares Held (before the Rights Issue)	% of issued capital (before the Rights Issue)	Number of Shares Held (after the Rights Issue)	% of issued capital (on completion of the Rights Issue)
Southern Cross Exploration NL	160,010,001	39.95%	240,015,002	40.96%
Mark Johnson (Non-Executive Director) (direct holding)	47,450,930	11.85%	71,176,395	12.15%
Spinite PL	39,876,665	9.96%	59,814,998	10.21%
Project Global Inv PL	25,000,000	6.24%	37,500,00	6.40%
Gregory Hall (Non-Executive Director)	9,999,887	2.49%	14,999,831	2.56%
Stephen Baghdadi (Executive Director, CEO)	62,000	0.015%	93,000	0.016%

2.9 ASX quotation of New Shares

The Company has made an application to ASX for the New Shares to be granted quotation on ASX. If that permission is not granted by ASX, the Company will not issue any New



Shares and all application monies received (without interest) will be refunded in full to the applicants. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

Trading of the New Shares will, subject to ASX approval, occur on or about the date specified in the timetable in Section 1.3 above.

2.10 Allotment of New Shares

Subject to the New Shares being granted quotation on ASX, the New Shares will be allotted and issued, and holding statements despatched, in accordance with the timetable. It is expected that New Shares will be allotted on 16 August 2017, and that shareholder statements for the New Shares will be despatched on or after 16 August 2017.

2.11 Eligible Shareholders

The Offer is available to all Eligible Shareholders who are, as at 7.00pm AEST on the Record Date, registered (in accordance with the records of Security Transfer Australia Pty Ltd, the Company's share registry (**Share Registry**)) with a registered address in Australian or New Zealand. This Offer document and Entitlement and Acceptance Form will only be sent to Eligible Shareholders.

The Offer contained in this letter of offer to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand)*. Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

The Company reserves the right to reject any Entitlement and Acceptance Form that it believes come from a person who is not an Eligible Shareholder.

Ineligible Shareholders

In accordance with ASX Listing Rule 7.7 and Section 9A of the Act, the Company has decided that it is unreasonable to make the Offer to any Shareholder with a registered address outside Australia or New Zealand as at the Record Date (**Ineligible Shareholder**), having regard to:

- (a) the number of Shareholders with addresses in such other countries;
- (b) the number and value of the Shares those Shareholders would be offered under the Offer; and
- (c) the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by or to, and no New Shares will be issued to Shareholders having registered addresses outside Australia or New Zealand.

To the extent that there are any Ineligible Shareholders registered at the Record Date, the Company will send details of the Offer to each Ineligible Shareholder and advise each Ineligible Shareholder that they will not be offered New Shares under the Rights Issue.

2.12 Overseas shareholders

This letter of offer does not, and is not intended to, constitute an offer or invitation in the United States, to any US person, to any person acting for the account or benefit of a person in the United States, or in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The distribution of this letter of offer in jurisdictions outside of Australia or New Zealand may be restricted by law and persons who come into possession of this offer should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken by the Company to register the New Shares or otherwise permit an offering of the New Shares in any jurisdiction other than Australia or New Zealand. Eligible Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Offer does not breach regulations in the relevant overseas jurisdiction.

The New Shares have not been and will not be registered under the US Securities Act of 1933 or the securities laws of any state or jurisdiction in the United States and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed. The Rights Issue is being made to all Eligible Shareholders. The Company is not required to determine whether or not any Eligible Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

Where any registered holder that qualifies as an Eligible Shareholder is acting as a nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws.

Any person in the United States or any person that is, or is acting for the account or benefit of a U.S. person with a holding through a nominee may not participate in the Rights Issue and the nominee must not take up any Entitlement or send any materials into the United States or to any person that is, or is acting for the account or benefit of, a U.S. person.

It is the responsibility of a Shareholder to ensure compliance with any laws of a country relevant to their application. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company as a representation that there has been no breach of such laws and that the Applicant is an Eligible Shareholder.

2.13 Rights and liability attaching to New Shares

The New Shares will, from allotment, rank equally with existing Shares. Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours or on request from the Company Secretary, John Smith, who can be contacted on +612 8231 6640.

2.14 Costs of the Offer

It is expected that the costs of the Offer will be approximately \$50,000 (excluding GST).

2.15 Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Share Registry if you wish to do so at the relevant contact numbers set out in the Entitlement and Acceptance Form.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988 (Cth)* (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

3. Action required by Shareholders

3.1 Your choices

The accompanying Entitlement and Acceptance Form details the number of New Shares to which you are entitled. You may:

- (a) **take up all of your Entitlement in full** (refer to section 3.2);
- (b) **take up part of your Entitlement** and allow the balance to form part of the Shortfall (refer to section 3.3);
- (c) **take up all of your Entitlement in full and apply for New Shares additional** to your Entitlement to take up part of the Shortfall (refer to section 3.4); or
- (d) **not take up any of your Entitlement** and allow all of your Entitlement to form part of the Shortfall (refer to section 3.5).

You cannot sell or transfer any of your Entitlement to another person.

That part of your Entitlement not taken up will form part of the Shortfall.

The issue price of any New Shares offered pursuant to the Shortfall shall be \$0.02 per Share, being the Issue Price at which the Entitlement has been offered to Eligible Shareholders under this letter of offer.

The Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date. In this case, any application monies (without interest) will be returned.

3.2 Take up all of your Entitlement

If you wish to take up your Entitlement in full, complete the Entitlement and Acceptance Form in accordance with the instructions set out on the form and forward it, together with your application monies in accordance with section 3.8 for the amount shown on the form, to reach the Share Registry by the Closing Date.

3.3 Take up part of your Entitlement

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and forward it, together with your application monies in accordance with section 3.8, to reach the Share Registry by the Closing Date. In this case, the New Shares not taken up by you will form part of the Shortfall.

3.4 Take up all of your Entitlement and apply for New Shares additional to your Entitlement

If you wish to take up your Entitlement in full and apply for New Shares additional to your Entitlement, complete the Entitlement and Acceptance Form in accordance with the instructions set out on the form and forward it, together with your application monies in accordance with section 3.8 for the amount shown on the form, to reach the Share Registry by the Closing Date. The Company shall determine the allocation of any additional Shares under the Shortfall offer subject to the Act and Listing Rules. Accordingly there is no guarantee that Eligible Shareholders will receive their full subscription under the Shortfall offer.

3.5 Not take up any of your Entitlement

If you do not wish to accept any part of your Entitlement, you do not need to take any further action. In this case, your whole Entitlement will form part of the Shortfall.

3.6 Shortfall

The Directors reserve the right, subject to the Corporations Act and the Listing Rules, to allocate any Shortfall (other than to Directors and related parties of the Company) to Eligible Shareholders that apply for New Shares additional to their Entitlement (refer section 3.4) or otherwise, to place any further Shortfall at their discretion within 3 months after the close of the Offer (at a price not less than the Issue Price of \$0.02 per New Share).

3.7 Acceptance of your Entitlement

The method of acceptance of your Entitlement will depend on your method of payment being by cheque, bank draft, BPAY® or money order.

By completing and returning your personalised Entitlement and Acceptance Form, you will be deemed to have represented that you are an Eligible Shareholder.

3.8 Payment for New Shares

The Issue Price for each New Share accepted under your Entitlement is payable on application. Payment by cheque, bank draft, money order or by BPAY® will be accepted.

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form



and return it to the address specified on the form accompanied by a cheque, bank draft or money order in Australian currency for the amount of the application monies, payable to "Dateline Resources Limited" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- (a) for an amount equal to \$0.02 multiplied by the number of New Shares that you are applying for; and
- (b) in Australian currency drawn on an Australian branch of a financial institution.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) you are deemed to have applied for such whole number of Shares which is covered in full by your Application Monies, whether that number is less than, equal to, or more than your Entitlement.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm AEST on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

You should ensure that sufficient funds are held in the relevant account(s) to cover the application monies. If the amount of your cheque for application monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared application monies will pay for (and taken to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

All payments must be in Australian currency. Other currency will not be accepted. Cash payments will not be accepted. Other currency or cash payments will be returned to the applicant and the acceptance will be deemed invalid. The amount payable on application will be deemed not to have been received until the Company's receipt of clear funds.

Receipts for payment will not be issued.

Application monies will be held on trust for applicants until allotment of the New Shares. Any application monies received for more than your final allocation of New Shares will be refunded (except when the amount is less than \$2.00, in which case it will be retained by the Company) on or around 16 August 2017.

No interest will be paid on any application monies received or refunded. Interest earned on application monies will be for the benefit of the Company and will be retained by it whether or not allotment takes place.

3.9 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this letter of offer and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

3.10 Representations by Acceptance

By completing and returning your personalised Entitlement and Acceptance Form, you will be deemed to have represented to the Company that you are an Eligible Shareholder and that you:

- (a) acknowledge that you have read and understand this letter of offer and your Entitlement and Acceptance Form in its entirety;
- (b) agree to be bound by the terms of the Offer, the provisions of this letter of offer and the Company's constitution;
- (c) authorise the Company to register you as the holder of New Shares allotted to you;
- (d) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (e) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (f) acknowledge that once the Company receives your Entitlement and Acceptance Form or any payment of application monies, you may not withdraw your application or funds provided except as allowed by law;
- (g) agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any application monies, at the Issue Price per New Share;
- (h) authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- (i) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) acknowledge that the information contained in this letter of offer and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- (k) acknowledge that investments in the Company are speculative and involve risks;
- (l) acknowledge that neither the Company, its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;

- (m) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Offer and of your holding of Shares on the Record Date;
- (n) authorise the Company to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (o) represent and warrant that the law of any place does not prohibit you from being given this letter of offer and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Offer as an Eligible Shareholder and you represent and warrant to the Company that there has been no breach of such laws or regulatory requirements; and
- (p) you understand and acknowledge that neither the Offer nor the New Shares have been, or will be, registered under the U.S. Securities Act or any US State or other securities laws in any jurisdiction, and may not be offered, sold or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws.

3.11 Brokerage

No brokerage is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for an Entitlement.

3.12 Governing law

This letter of offer and the contracts which arise on the acceptance of applications are governed by the laws applicable in New South Wales and each applicant submits to the non-exclusive jurisdiction of the courts of New South Wales.

4. General information regarding the Rights Issue

4.1 Risks

An investment in New Shares should be regarded as speculative and involves many risks.

Eligible Shareholders intending to participate in the Rights Issue should refer to the announcements made by the Company to the ASX. This information is available from the ASX website, www.asx.com.au (ASX Code: DTR). Copies of the announcements are also available from the Company Secretary on request.

Shareholders should consider the investment in the context of their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Shareholder should consult their own stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest in the New Shares.

The New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value or liquidity of those Shares.

Eligible Shareholders should be aware that there are risks associated with investment in shares of companies listed on a stock exchange. The value of securities can be expected to fluctuate depending on various factors including general condition of the Australian economy, general worldwide economic and political conditions, changes in government policies, taxation changes and legislative or regulatory changes, investor sentiment,

inflation levels, movements in the price of shares, movements in interest rates and stock markets, commodity prices, industrial disruption, environmental impacts, international competition, and other factors which may affect the Company's financial performance and position. These factors are beyond the control of the Company and the Company cannot, to any degree of certainty, predict how they will impact on the Company. Accordingly, assuming that the New Shares are granted official quotation by ASX, they may trade on ASX at higher or lower prices than the Issue Price.

The information in this letter of offer does not constitute a recommendation to subscribe for New Shares and this letter of offer does not purport to contain all the information that you may require to evaluate a possible application for New Shares. You should make your assessment of what information is relevant to your decision to participate in the Offer.

4.2 Tax consideration for investors

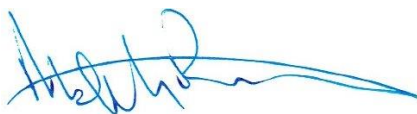
You should be aware that there may be taxation implications associated with participating in the Rights Issue. The Directors consider that it is not appropriate to give advice regarding the taxation consequences of subscribing for New Shares or the subsequent disposal of any New Shares. The Company, its advisers and its officers do not accept any responsibility or liability for any taxation consequences to Shareholders. The Directors recommend that all Shareholders consult their own professional tax advisers in connection with subscribing for, or subsequent disposal of, New Shares.

4.3 Enquiries

If you have any questions regarding the Rights Issue, please do not hesitate to contact John Smith, Company Secretary on +61 2 8231 6640 or contact your stockbroker or professional advisor.

For and on behalf of

Dateline Resources Limited



Stephen Baghdadi
Chief Executive Officer