

17 April 2018

Dear Shareholder

Non-Renounceable Rights Issue

Dateline Resources Limited (DTR) (**Dateline** or the **Company**) is pleased to announce a 1 for 10 non-renounceable rights issue of up to 71,849,581 new fully paid ordinary shares in the Company (each, a **New Share**) at \$0.03 per New Share (**Issue Price**) to raise up to approximately \$2,155,487 (before costs) (**Rights Issue**). As the Rights Issue is not underwritten, there is a risk that not all New Shares will be issued.

The Company intends to use the funds raised under the Rights Issue for general working capital purposes, the continued development of the Colorado Gold Links Project and for additional drilling and the installation of a second egress at the Lucky Strike Mine.

Under the Rights Issue, New Shares will be offered to all shareholders who are, as at 7.00pm AEST on Thursday, 19 April 2018 (**Record Date**), registered (in accordance with the records of the Company's share registry) with a registered address in Australia or New Zealand (**Eligible Shareholders**).

Any New Shares offered under the Rights Issue that are not applied for by Eligible Shareholders will form part of the shortfall (**Shortfall**). The Directors reserve the right, subject to the *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules, to issue any Shortfall to Eligible Shareholders¹ that apply for New Shares in addition to their entitlement or otherwise to place any remaining Shortfall² at their discretion within 3 months after the Rights Issue closing date (at a price not less than the Issue Price).

Shares purchased on-market on or after the "Ex Date" of Wednesday, 18 April 2018 will not carry an entitlement to participate in the Rights Issue. If you have any doubt, please consult your broker.

Entitlements to New Shares pursuant to the Rights Issue are non-renounceable and accordingly, those entitlements are not transferrable and nor will there be any rights trading.

Various details of the Rights Issue are contained in the Appendix 3B which was given to ASX by the Company on Monday, 16 April 2018. Enclosed with this letter is a copy of that Appendix 3B.

Further details of the Rights Issue will be set out in the offer booklet (**Offer Booklet**) which will be mailed to Eligible Shareholders on Tuesday, 24 April 2018. The Offer Booklet will also be available on the Company's announcements platform at www.asx.com.au (ASX Code: DTR) on 24 April 2018.

¹ Under the terms of the Rights Issue, "related parties" (as that term is defined in section 228 of the Corporations Act) (or their associates) of the Company are not eligible to apply for additional New Shares.

² Please also note that the Company will not place any part of the Shortfall to related parties (or their associates) of the Company.

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Key dates of the Rights Issue

The expected timetable for the Rights Issue is shown below.

Announcement of Rights Issue and lodgement of Appendix 3B and section 708AA(2)(f) cleansing notice with ASX	Monday, 16 April 2018
Despatch of notice to securityholders, including option holders	Tuesday, 17 April 2018
"Ex" Date (date from which existing shares in the Company commence trading without an entitlement to participate in the Rights Issue)	Wednesday, 18 April 2018
Record Date (date for determining entitlements to participate in the Rights Issue)	7.00pm AEST on Thursday, 19 April 2018
Despatch of Offer Booklet and personalised Entitlement and Acceptance Form to Eligible Shareholders	Tuesday, 24 April 2018
Closing Date for acceptances	5.00pm AEST on Friday, 4 May 2018
New Shares quoted on a deferred settlement basis	Monday, 7 May 2018
Notification to ASX of under subscriptions	Wednesday, 9 May 2018
Issue of New Shares and lodgement of an additional Appendix 3B (if necessary) with ASX	Friday, 11 May 2018
Despatch of holding statements for New Shares and date on which deferred settlement in New Shares trading ends	Friday, 11 May 2018

*Subject to the ASX Listing Rules, the directors reserve the right to extend the closing date for the Rights Issue at their discretion. Should this occur, an announcement will be made to ASX and the extension will have a consequential effect on the anticipated date of issue for the New Shares.

**All dates are indicative only and subject to change.

An application for New Shares under the Rights Issue may only be made by completing the Entitlement and Acceptance Form which accompanies the Offer Booklet. Eligible Shareholders should read the Offer Booklet in its entirety.

Ineligible Foreign Shareholders

In accordance with ASX Listing Rule 7.7.1 and Section 9A of the Corporations Act, the Company advises that it has decided that it is unreasonable to make the Rights Issue to registered shareholders on the Record Date with a registered address outside of Australia or New Zealand (**Ineligible Foreign Shareholders**), having regard to:

- (1) the small number of shareholders with addresses outside of Australia or New Zealand;
- (2) the small number and value of the New Shares those shareholders would be offered; and
- (3) the cost of complying with the legal requirements, and requirements of regulatory authorities in each of the countries concerned.

Accordingly, the Rights Issue will not be made to Ineligible Foreign Shareholders.

Contact

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 adviser.

We look forward to your continuing support of the Company.

Signed for and on behalf of

Dateline Resources Limited



John Smith
Company Secretary

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