

16 April 2018

Market Announcements Platform
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Notice under Section 708AA(2)(f) of the Corporations Act 2001 (Cth)

Dateline Resources Limited (DTR) (**Dateline** or the **Company**) today announced that it is undertaking a 1 for 10 non-renounceable rights issue of up to 71,849,58 new fully paid ordinary shares in the Company (each, a **New Share**) at \$0.03 per New Share to raise up to approximately \$2,155,487 (before costs) (**Rights Issue**).

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 register) with a registered address in Australia or New Zealand.

The Rights Issue is not underwritten. 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 of \$0.03 per New Share).

Further details of the Rights Issue will be included in an offer document which is expected to be lodged with ASX and despatched to shareholders on Tuesday, 24 April 2018.

In accordance with section 708AA(2)(f) of the Corporations Act, the Company hereby gives notice that:

- (a) The New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) This notice is given by the Company under section 708AA(2)(f) of the Corporations Act;
- (c) As at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) section 674 of the Act;
- (d) As at the date of this notice, there is no information:

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.

- (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (ii) 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:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (B) the rights and liabilities attaching to the New Shares.
- (e) The potential effect that the issue of New Shares under the Rights Issue 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 new investor demand in the event there is a Shortfall.

The following persons are shareholders holding more than 5% of the Company's issued equity capital:

Name	Number of Shares held (before Rights Issue)	Percent of issued capital (before Rights Issue)
Southern Cross Exploration N.L. (SXX)	240,015,002	33.41%
Mark Johnson (Non-Executive Director) (direct holding)	71,176,396	9.91%
Spinite P/L	60,944,569	8.48%
Mr K.D.Vinci	60,000,000	8.35%

So far as the Company is aware and based on substantial holding notices that have been lodged prior to the date of this cleansing notice, other than SXX there are no shareholders with voting power of 20% or more in the Company.

The potential effect of the issue of New Shares under the Rights Issue on the control of the Company is as follows:

- (i) If all New Shares under the Rights Issue were issued (and SXX follows its rights), then the Rights Issue will have no significant effect on the control of the Company. On completion of the Rights Issue SXX is expected to hold 264,016,502 Shares, being 33.41% of the total issued capital.
- (ii) If some Eligible Shareholders do not take up all of their Entitlements under the Rights Issue, then the interests of those Eligible Shareholders will be diluted.
- (iii) 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.
- (iv) If SXX 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 Rights Issue closing date, the voting power of SXX and Mark Johnson will increase as shown below:

Name	Number of Shares held (before Rights Issue)	Percent of issued capital (before Rights Issue)	Number of Shares held after taking up full entitlement (with no other Eligible Shareholders participating)	Percent of issued capital (after Rights Issue)
SXX	240,015,002	33.41%	264,016,502	35.22%
Mark Johnson	71,176,396	9.91%	78,294,036	10.44%

- (v) The Company does not expect the Rights Issue to have a material effect on the control of the Company. Furthermore, 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 table below sets out the impact of the Rights Issue (assuming fully subscribed) on the capital structure of the Company:

Shares	Number
Existing shares as at Monday, 16 April 2018	718,495,810
Maximum number of New Shares to be issued under the Rights Issue	71,849,581
Total number of issued Shares following completion of the Rights Issue (assuming the Rights Issue is fully subscribed)	790,345,391

Signed for and on behalf of

Dateline Resources Limited



John Smith
Company Secretary