



ABN 63 149 105 653

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED

30 June 2017

ANNUAL REPORT

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Directors & Officers

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

Bankers

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

Registered Office

Level 29
2 Chifley Square
Sydney NSW 2000

PO Box 553
South Hurstville NSW 2221

T: +61 (02) 8231 6640
F: +61 (02) 8231 6487
E-mail: info@datelineresources.com.au
Website: www.datelineresources.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

Securities Exchange

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

Solicitors

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

Australian Company Number

ACN 149 105 653

Australian Business Number

ABN 63 149 105 653

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 2017.

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)

Stephen Baghdadi
Executive Director and CEO (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 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	51,877,961	-
Stephen Baghdadi	62,000	-
Gregory Hall	9,999,887	-
	61,939,848	-

4. DIRECTORS' MEETINGS

Directors	Number Eligible to Attend	Number Attended
Mark Johnson	9	9
Stephen Baghdadi	9	8
Gregory Hall	9	9

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 company focused on gold mining and exploration targets in Colorado, United States of America. The company also has exploration projects in the Republic of Fiji.

7. OPERATING AND FINANCIAL REVIEW

(a) Operations

Dateline 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	SPL 1506	100%	Fiji
Udu	SPL 1507	100%	Fiji
Gold Links Mine	34 Patented Claims	100%	Colorado USA
Gold Links Mine	20 Unpatented Claims	100%	Colorado USA

The Gold Links Mine consists of a series of patented and unpatented claims that have been prospected and operated intermittently over a ~30-year period between 1885 and 1948 with the majority of the work being undertaken between 1890-1910. The Project consists of several mineralised areas. Dateline's initial focus is the redevelopment and production from the Upper Gold Links and Sacramento Zones.

The Sacramento Zone produced US\$600,000 worth of gold and silver by the end of 1906 (approximately 18,000oz Au and 400,000oz Ag now valued at ~US\$20 million [\$1200/oz. Au and \$17/oz. Ag]) and the Gold Links produced US\$516,000 of gold and silver by the end of 1912 (approximately 25,800 ounces now valued at ~US\$31 million [17,500 ounces at \$1200/oz]).

The Upper Gold Links Zone stoped a continuous area of some 350m along strike, 120m along dip, at an average thickness of 0.9m (largest thickness was 7m) extracting approximately 25,000oz Au and 300,000oz Ag until 1948. Since this time, minimal mining and limited exploration has been completed.

Dateline is focused on commencing production from the Upper Gold Links and Sacramento Zones that will fund the redevelopment and use of modern exploration techniques to evaluate the value of the entire geological system. This mineralised trend continues north-northeast along the gravity low and sits in the Colorado Mineral Belt that has past production of 20-25 million ounces of gold.

(b) Financial Performance & Financial Position

The financial results of the Group for the year ended 30 June 2017 and 2016 are:

	30-Jun-17	30-Jun-16	% Change
Cash & Cash equivalents (\$)	261,279	72,363	261.1%
Net Assets (\$)	5,627,546	3,801,204	48.0%
Revenue (\$)	327,616	23,293	1306.5%
Net Profit (Loss) After Tax (\$)	(1,751,762)	(617,163)	(183.8%)
Profit/(Loss) per Share (Cents)	(0.68)	(0.66)	3.0%
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, the USA 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 19 October 2016 the Company announced that it had entered into a binding agreement with Southern Cross Exploration NL (SXX) to take assignment of Gunnison Gold Pty Ltd (Gunnison). Gunnison had recently entered into agreements to acquire 100% ownership of CRG Mining LLC (which owns permitted Gold Links Mine in Colorado) and 100% of SLV Minerals LLC (which owns a 50 tonne-per day (tpd) ore processing mill located on 15 acres (6 hectares) of freehold land in Colorado). The transaction was subject to shareholder approval.
- At the Annual General meeting of Dateline Resources Limited held on 30 November 2016 the shareholders of the Company approved the above transaction between SXX and DTR. In addition the shareholders approved the placement of a total of 265,862,055 fully paid ordinary shares to existing and new shareholders of the Company plus the issuance of 35,000,000 unlisted options with an exercise price of \$0.04 and an expiry date of 31 October 2019. These shares and options were subsequently issued on 13 December 2016.
- On 6 February 2017, the Company announced that it had reached agreement with Gleneagles Securities (Aust) Pty Ltd for the issuance of 33,333,333 fully paid ordinary shares, representing 8.32% of Dateline's issued capital following completion of the placement, at an issue price of \$0.03 per Share. The shares were issued to private clients (sophisticated investors) of Gleneagles. The placement raised \$1,000,000 to be used for working capital purposes. The above shares were subsequently issued on 8 February 2017.

9. AFTER BALANCE SHEET DATE EVENTS

On 21 July 2017, the company announced that it was undertaking a 1 for 2 non-renounceable rights issue of up to 200,247,902 fully paid ordinary shares at \$0.02 per share to raise up to \$4,000,000. The Company closed the Rights Issue on 9 August 2017, raising a total of \$2,184,835. Total applications were received for 109,241,756 new shares. These shares were subsequently issued on 16 August 2017.

No other matter or event has arisen since 30 June 2017 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 and the Company Secretary. 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
Stephen Baghdadi	Chief Executive Officer	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	2017 \$	2016 \$
Mr Johnson	Director	-	-
Mr Baghdadi	Consultant	60,000	60,000
Mr Baghdadi	Director	-	-
Mr Hall	Consultant	-	24,638
Mr Hall	Director	-	16,425
Mr Smith	Company Secretary	60,000	54,000
	Total	<u>120,000</u>	<u>155,063</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 2017 are set out below:

Company Directors and Related Parties	Opening Balance	Received as Remuneration	Exercise of Options	Net Change Other	Closing Balance
Mr Johnson	31,015,906	-	-	20,862,055	51,877,961
Mr Baghdadi	-	-	-	62,000	62,000
Mr Hall	4,999,887	-	-	5,000,000	9,999,887
	<u>36,015,793</u>	<u>-</u>	<u>-</u>	<u>25,924,055</u>	<u>61,939,848</u>

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	31,150,000	-	-	(134,094)	31,015,906
Mr Niumataiwalu	383,125	-	-	(383,125)	-
Mr Baghdadi	-	-	-	-	-
Mr Hall	-	-	-	4,999,887	4,999,887
	<u>31,533,125</u>	<u>-</u>	<u>-</u>	<u>4,482,668</u>	<u>36,015,793</u>

The adoption of the Remuneration Report for the financial year ended 30 June 2016 was put to the shareholders of the Company at the Annual General Meeting held 30 November 2016. 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 was 35,000,000 unlisted options with an exercise price of \$0.0398 and an expiry date of 31 October 2019.

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 2017 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
27 September 2017

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 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in 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 relation to Dateline Resources Limited and the entities it controlled during the period.



M D Muller
Director

Sydney, NSW
27 September 2017

DATELINE RESOURCES LIMITED
 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
Continuing operations			
Interest income	4	648	23,293
Other income	6	326,968	-
Unrealised exchange gain		217,945	-
Expenditure written off during the year	12	(910,639)	(233,249)
Interest expense		(214,092)	(20,885)
Administration expenses	5	<u>(1,172,592)</u>	<u>(386,322)</u>
Profit/(Loss) from continuing operations before income tax		(1,751,762)	(617,163)
Income tax expense	7	<u>-</u>	<u>-</u>
Profit/(loss) from continuing operations after income tax		(1,751,762)	(617,163)
Other comprehensive profit/(loss)			
Foreign Currency Translation Reserve		<u>(25,484)</u>	<u>64,747</u>
Total comprehensive profit/(loss) for the period		<u>(1,777,246)</u>	<u>(552,416)</u>
Profit/(loss) for the period is attributable to:			
Owners of the Company		<u>(1,751,762)</u>	<u>(617,163)</u>
		<u>(1,751,762)</u>	<u>(617,163)</u>
Total comprehensive profit/(loss) for the period attributable to:			
Owners of the Company		<u>(1,777,246)</u>	<u>(552,416)</u>
		<u>(1,777,246)</u>	<u>(552,416)</u>
		<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	17	(0.68)	(0.66)

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 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
Current Assets			
Cash & cash equivalents	8	261,279	72,363
Trade & other receivables	9	43,067	28,273
Financial assets	10	25,842	20,370
Total Current Assets		<u>330,188</u>	<u>121,006</u>
Non-Current Assets			
Plant & equipment land & buildings	11	4,164,556	5,710
Exploration & evaluation expenditure	12	4,898,753	4,556,309
Total Non-Current Assets		<u>9,063,309</u>	<u>4,562,019</u>
TOTAL ASSETS		<u>9,393,497</u>	<u>4,683,025</u>
Current Liabilities			
Trade & other payables	13	322,318	602,293
Loans from related parties	14	6,229	279,528
Total Current Liabilities		<u>328,547</u>	<u>881,821</u>
Non Current Liabilities			
Trade & other payables	13	3,437,404	-
Total Non-Current Liabilities		<u>3,437,404</u>	<u>-</u>
TOTAL LIABILITIES		<u>3,765,951</u>	<u>881,821</u>
NET ASSETS		<u>5,627,546</u>	<u>3,801,204</u>
Equity attributable to the equity holders of the Company			
Contributed equity	15	12,254,584	8,766,335
Reserves	16	501,457	411,602
Accumulated losses		(7,128,495)	(5,376,733)
TOTAL EQUITY		<u>5,627,546</u>	<u>3,801,204</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 2017

	Issued Capital	Accumulated Losses	Option Valuation Reserve	Foreign Currency Reserve	TOTAL
Note	\$	\$	\$	\$	\$
Balance as at 1 July, 2016	8,766,335	(5,376,733)	-	411,602	3,801,204
Total profit / (loss)	-	(1,751,762)	-	-	(1,751,762)
Total other comprehensive income	-	-	-	(25,484)	(25,484)
Total comprehensive income for the year	-	(1,751,762)	-	(25,484)	(1,777,246)
<i>Transactions with owners in their capacity as owners :</i>					
Contributions of equity	3,488,249	-	115,339	-	3,603,588
Balance as at 30th June 2017	12,254,584	(7,128,495)	115,339	386,118	5,627,546

	Issued Capital	Accumulated Losses	Option Valuation Reserve	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	28	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>Transactions 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	3,801,204

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 2017

	Note	<u>30-Jun-17</u>	<u>30-Jun-16</u>
		\$	\$
Cash flows used in operating activities			
Payment to suppliers and employees		(1,209,680)	(146,700)
Interest received		648	23,293
Net cash flows used in operating activities	8(a)	<u>(1,209,032)</u>	<u>(123,407)</u>
Cash flows used in investing activities			
Payment for plant & equipment		(509,283)	(6,194)
Net funds received on acquisition of Subsidiary		-	308,792
Payment for exploration & evaluation expenditure		(404,430)	(263,735)
Net cash flows (used in) provided by investing activities		<u>(913,713)</u>	<u>38,863</u>
Cash flows from financing activities			
Proceeds from issue of shares		2,165,655	-
Repayment of related party loans		(126,049)	-
Proceeds from borrowings		272,055	111,000
Net cash flows from financing activities		<u>2,311,661</u>	<u>111,000</u>
Net increase/(decrease) in cash and cash equivalents		188,916	26,456
Cash and cash equivalents at beginning of period		72,363	45,907
Cash and cash equivalents at end of period	8	<u><u>261,279</u></u>	<u><u>72,363</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 2017.

(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 2017 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 \$1,751,762 (2016: \$617,163 loss) a net cash inflow of \$188,916 (2016: \$26,456 inflow) and net cash out flow from operations of \$1,209,032 (2016: \$123,407). As at 30 June 2017, the consolidated entity also had working capital of \$1,642 (2016: \$760,815 deficiency) and cash assets of \$261,279 (2016: \$72,363).

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

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

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

(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 18: 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) *Valuation of tenements held by Golden Phoenix Limited*

During the year ended 30 June 2016, the Group acquired Golden Phoenix Resources Limited (“GPR”) and accordingly a valuation of the tenements owned by GPR took place. Refer to Note 12 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 three reportable operating segments based on the three principal locations of its projects – Australia, USA 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	USA	Consolidation Entries	TOTAL
30 June 2017	A\$	A\$	A\$	A\$	A\$
Revenues	327,616	-	-	-	327,616
Segment Result	(1,019,127)	(2,180)	(730,455)	-	(1,751,762)
Total Segment Assets	18,957,035	4,158,744	5,327,270	(19,049,552)	9,393,497
Total Segment Liabilities	2,175,714	4,893,118	4,976,789	(8,279,670)	3,765,951
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)	4,683,025
Total Segment Liabilities	2,720,227	4,818,720	-	(6,657,126)	881,821

DATELINE RESOURCES LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2017

4. INTEREST INCOME	30-Jun-17	30-Jun-16
	\$	\$
Interest Income	648	23,293
	<u>648</u>	<u>23,293</u>
5. ADMINISTRATION EXPENSES	30-Jun-17	30-Jun-16
	\$	\$
Consulting and corporate expenses	624,018	243,310
Compliance and regulatory expenses	45,297	24,953
Depreciation expenses	5,710	11,805
Other administration expenses	497,567	106,254
	<u>1,172,592</u>	<u>386,322</u>
6. OTHER INCOME	30-Jun-17	30-Jun-16
	\$	\$
Debts forgiven	326,968	-
	<u>326,968</u>	<u>-</u>
7. INCOME TAX EXPENSE	30-Jun-17	30-Jun-16
	\$	\$
(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	(1,751,762)	(617,163)
Tax at the Australian tax rate of 30% (2016 - 30%)	(525,529)	(185,149)
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Temporary difference not brought to account	525,529	185,149
Income tax expense	<u>-</u>	<u>-</u>
(c) Tax losses		
Unused tax losses *	4,278,086	3,752,557

* The entities in the group have not formed a tax consolidated group and the unused tax losses consists of tax losses from entities in the group calculated on a stand alone basis..

8 CASH & CASH EQUIVALENTS	<u>30-Jun-17</u>	<u>30-Jun-16</u>
	\$	\$
Cash at bank and in hand	261,279	72,363
	<u>261,279</u>	<u>72,363</u>

(a) Reconciliation of net profit/(loss) after tax to net cash flows used in operating activities

	<u>30-Jun-17</u>	<u>30-Jun-16</u>
	\$	\$
Net profit / (loss) after income tax	(1,751,762)	(617,163)
Adjustments for :		
Depreciation	5,710	11,805
Exploration expenditure written off	910,639	233,250
Change in assets and liabilities		
(Increase)/decrease in trade and other receivables	(20,266)	4,127
(Increase)/decrease in financial assets	-	13,849
Increase/(decrease in trade and other payables)	(353,353)	230,725
Net cash flows used in operating activities	<u>(1,209,032)</u>	<u>(123,407)</u>

9 TRADE & OTHER RECEIVABLES	<u>30-Jun-17</u>	<u>30-Jun-16</u>
	\$	\$
Other receivables	43,067	28,273
	<u>43,067</u>	<u>28,273</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 18 for more information on the risk management policy of the Group and the credit quality of the Group's trade receivables.

10 FINANCIAL ASSETS	<u>30-Jun-17</u>	<u>30-Jun-16</u>
	\$	\$
ANZ term deposits	25,842	20,370
	<u>25,842</u>	<u>20,370</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 18 for more information on the risk management policy of the Group and the credit quality of the Group's Financial Assets.

11 PLANT & EQUIPMENT	<u>30-Jun-17</u>	<u>30-Jun-16</u>
	\$	\$
Carrying amount of plant & equipment	<u>4,164,556</u>	<u>5,710</u>
(a) Plant and equipment		
At Cost	53,682	53,682
Less accumulated depreciation	<u>(53,682)</u>	<u>(53,559)</u>
Total plant and equipment	<u>-</u>	<u>123</u>
Movement during the year		
Balance at the beginning of the year	123	553
Depreciation expense	<u>(123)</u>	<u>(430)</u>
Balance at the end of the year	<u>-</u>	<u>123</u>
(b) Office equipment		
At Cost	51,773	51,773
Less accumulated depreciation	<u>(51,773)</u>	<u>(46,186)</u>
Total office equipment	<u>-</u>	<u>5,587</u>
Movement during the year		
Balance at the beginning of the year	5,587	10,768
Additions	-	6,194
Disposals	-	-
Depreciation expense	<u>(5,587)</u>	<u>(11,375)</u>
Balance at the end of the year	<u>-</u>	<u>5,587</u>
(c) Mining plant & equipment		
At Cost	<u>2,832,494</u>	-
Total mining plant & equipment	<u>2,832,494</u>	-
Movement during the year		
Balance at the beginning of the year	-	-
Additions	509,283	-
Mining plant & equipment acquired on acquisition of Gunnison Gold Pty Ltd (Note 27)	<u>2,323,211</u>	-
Balance at the end of the year	<u>2,832,494</u>	-

	<u>30-Jun-17</u>	<u>30-Jun-16</u>
	\$	\$
(d) Mining land and buildings		
At Cost	1,332,062	-
Total Mining land and buildings	<u>1,332,062</u>	<u>-</u>
Movement during the year		
Balance at the beginning of the year	-	-
Additions	-	-
Mining land and buildings acquired on acquisition of Gunnison Gold Pty Ltd (Note 27)	<u>1,332,062</u>	<u>-</u>
Balance at the end of the year	<u>1,332,062</u>	<u>-</u>
12 EXPLORATION & EVALUATION EXPENDITURE		
Carrying amount of exploration expenditure	<u>4,898,753</u>	<u>4,556,309</u>
Movement during the year		
Balance at the beginning of the year	4,556,309	3,600,000
Expenditure incurred during the year	404,430	339,559
Tenements acquired on acquisition of GPR	-	850,000
Tenements acquired on acquisition of Gunnison Gold Pty Ltd (refer note 27)	848,653	-
Expenditure written off during the year	<u>(910,639)</u>	<u>(233,250)</u>
Balance at the end of the year	<u>4,898,753</u>	<u>4,556,309</u>

Exploration and evaluation expenditure capitalised relates to expenditure incurred and capitalised for the Udu Polymetallic Exploration Project in Fiji and for the Gold Links Project located in Colorado USA. This expenditure 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 Gunnison Gold Pty Ltd 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

Tenements E09/2030, E09/2031, E09/2035, E09/2117 and E09/2118 were not renewed during the year. Total expenditure of \$910,639 had been expended on these tenements and as a result of the non-renewal of the tenements, the Board has determined that this asset should be written off.

13 TRADE & OTHER PAYABLES	<u>30-Jun-17</u>	<u>30-Jun-16</u>
	\$	\$
Current		
Trade and sundry creditors	279,827	450,031
Accruals	<u>42,491</u>	<u>152,262</u>
	<u>322,318</u>	<u>602,293</u>

Current trade & other payables are non-interest bearing and are settled on 30 day terms.

Non-Current

Amount owed to the vendors of CRG Mining LLC	<u>3,437,404</u>	<u>-</u>
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The amount above of \$3,437,404 (June 2016 \$0) was arrived at after applying an annual discount of 10% to future payments which are all payable on 20 September 2018.

14 LOANS FROM RELATED PARTIES	<u>30-Jun-17</u>	<u>30-Jun-16</u>
	\$	\$
Current		
Amounts owed to Southern Cross Resources NL	6,229	244,528
Amounts owed to Mr. Mark Johnson	<u>-</u>	<u>35,000</u>
Total current loans from shareholders	<u>6,229</u>	<u>279,528</u>

The 2017 Balance of \$6,229 is composed of an unsecured loan from Southern Cross Exploration NL. The unsecured loan is interest free and repayable by September 30 2017.

15. CONTRIBUTED EQUITY

	Consolidated	
	<u>2017</u>	<u>2016</u>
(a) Share Capital		
Ordinary Capital		
Number of Shares	400,495,804	101,300,416
Paid Up	\$12,254,584	\$8,766,335

(b) Movements in Share Capital

		Consolidated	
		<u>Number of Shares</u>	<u>\$</u>
1 July 2016	Opening Balance	101,300,416	8,766,335
13 December 2016	Issue of shares	265,862,055	2,658,621
13 December 2016	Share Issue Costs	-	(120,372)
8 February 2017	Issue of Shares	33,333,333	1,000,000
8 February 2017	Share Issue Costs	-	(50,000)
30 June 2017	Closing Balance	<u>400,495,804</u>	<u>12,254,584</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 2017 there were 400,495,804 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.

16 RESERVES	<u>30-Jun-17</u>	<u>30-Jun-16</u>
	\$	\$
Option Valuation Reserve	115,339	-
Foreign Currency Translation Reserve	386,118	411,602
	<u>501,457</u>	<u>411,602</u>

Foreign Currency Translation Reserve

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

Option Valuation Reserve

35,000,000 unlisted options were issued as part of the acquisition of Gunnison Gold Pty Ltd (note 27) valued at \$115,339.

17 EARNINGS PER SHARE

The calculation of basic loss per share at 30 June 2017 was based on the loss attributable to ordinary shareholders of \$1,751,762 (2016: loss \$617,163) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2017 of 259,217,902 (2016: 93,967,067) calculated as follows:

(a) Basic profit/(loss) per share	<u>30-Jun-17</u>	<u>30-Jun-16</u>
Net profit/(loss) per share attributable to ordinary equity holders of the Company (\$)	(\$1,751,762)	(\$617,163)
Weighted average number of ordinary shares for basis per share (No)	259,217,902	93,967,067
Continuing operations		
- Basic profit/(loss) per share (cents)	(0.68)	(0.66)

(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.

18 FINANCIAL RISK MANAGEMENT

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

	<u>30-Jun-17</u>	<u>30-Jun-16</u>
	\$	\$
Financial Assets		
Cash & cash equivalents	261,279	72,363
Trade & other receivables	43,067	28,273
Financial assets	25,842	20,370
	<u>330,188</u>	<u>121,006</u>
Financial Liabilities		
Trade & other payables	3,759,722	602,293
Loans from related parties	6,229	279,528
	<u>3,765,951</u>	<u>881,821</u>
Net exposure	<u>(3,435,763)</u>	<u>(760,815)</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-17</u>	<u>30-Jun-16</u>
	\$	\$
Financial Assets		
Cash & cash equivalents	261,279	72,363
Financial Liabilities		
Loans from related parties	6,229	279,528

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 Commonwealth Bank of Australia (2016 : 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-17</u>	<u>30-Jun-16</u>
Cash at Bank and short term banks deposits	\$	\$
Standard & Poors Rating : A-1+	261,279	72,376

(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 US and 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-17</u>	<u>30-Jun-16</u>
	\$	\$
Cash at Bank and short term bank deposits	191,862	37,624
Receivables	-	1,856
Payables	3,527,092	25,852

Management has set up a policy requiring group companies to manage their foreign exchange risk against their functional currency.

SENSITIVITY

At 30 June 2017, had the Australian dollar weakened by 10% against the US and Fijian dollar, with all other variables being constant, the net assets of the group would have reduced by \$370,581 (2016 \$1,239) and loss would have increased by \$370,581 (2016 \$1,239).

At 30 June 2017, had the Australian dollar strengthened by 10% against the US and Fijian dollar, with all other variables being constant, the net assets of the group would have increased by \$303,203 (2016 \$1,514) and loss would have reduced by \$303,203 (2016 \$1,514).

(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 and 14.

19 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

	<u>30-Jun-17</u>	<u>30-Jun-16</u>
	\$	\$
Compensation by category		
Short term employee benefits	<u>120,000</u>	<u>155,063</u>
	<u>120,000</u>	<u>155,063</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. 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 2016 to 30 June 2017.

(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 2017 the following amounts were unpaid to KMP and or Directors:

	<u>30-Jun-17</u>	<u>30-Jun-16</u>
	\$	\$
Mr Hall is a Director of Golden Phoenix International Pty Ltd who is a creditor of Golden Phoenix Resources Limited	507	332,111
Mr Baghdadi	50,500	95,000
Mr Smith	-	20,180

20 RELATED PARTY DISCLOSURES

(i) Key management personnel

Disclosures relating to directors and executives are set out in note 19 Key Management Personnel Disclosures.

(ii) Transactions with related parties

- a. During the year ended 30 June 2016, Mr. Gregory Hall a director of Golden Phoenix Resources Limited (GPR) and Dateline Resources Limited was issued 9,999,774 shares in Dateline Resources Limited as consideration for his shares in GPR, as part of the acquisition of GPR.
- b. On 13 December 2016, in accordance with resolutions approved by the shareholders of Dateline Resources Limited at the Company's Annual General Meeting on 30 November 2016, Southern Cross Exploration NL:
 1. Received 100,000,000 fully paid ordinary shares in Dateline Resources Limited at \$0.01 per share. \$1,000,000 was received by the Company as full payment for these shares.
 2. Received 40,000,000 fully paid ordinary shares in Dateline Resources Limited at \$0.01 per share. Consideration for this was the repayment of the majority of the current loan account between Dateline Resources Limited and Southern Cross Exploration NL.
 3. Received 25,000,000 unlisted options with an exercise price of \$0.04 and an expiry date of 31 October 2019, valued at \$83,453 and \$250,000 as consideration for introducing the sale to Dateline Resources Limited of Gunnison Gold Pty Ltd.
- c. On 13 December 2016, in accordance with resolutions approved by the shareholders of Dateline Resources Limited at the Company's Annual General Meeting on 30 November 2016, Mr. Mark Johnson a director of Dateline Resources Limited:
 1. Received 15,000,000 fully paid ordinary shares in Dateline Resources Limited at \$0.01 per share. \$150,00,000 was received by the Company as full payment for these shares.
 2. Received 5,862,055 fully paid ordinary shares in Dateline Resources Limited at \$0.01 per share. Consideration for this was the repayment of the current loan account between Dateline Resources Limited and Mr. Johnson.
- d. On 13 December 2016, in accordance with resolutions approved by the shareholders of Dateline Resources Limited at the Company's Annual General Meeting on 30 November 2016, Mr. Gregory Hall a director of Dateline Resources Limited, was issued (via a company related to Mr Hall), 10,000,000 fully paid ordinary shares in Dateline Resources Limited at \$0.01 per share, in lieu of consultancy fees for services provided to GPR by a company controlled by Mr Hall.
- e. In accordance with resolutions approved by the shareholders of Dateline Resources Limited at the Company's Annual General Meeting on 30 November 2016, Dateline Resources Limited did acquire

from Southern Cross Exploration N.L. 100% of the issued capital of Gunnison Gold Pty Ltd. Further details are given in Note 27.

(iii) Subsidiaries and associates

Name of subsidiary	Country of Incorporation	Ownership Interest (%)	Ownership Interest (%)
		30.6.17	30.6.16
Dateline Fiji Pty Limited (a)	Australia	100%	100%
Matai Holdings (Fiji) Ltd (b)	Fiji	100%	100%
Golden Phoenix Resources Limited	Australia	100%	100%
Golden Phoenix Australia Pty Ltd	Australia	100%	100%
Golden Phoenix (China) Ltd	China	100%	100%
Exploration Mining & Advanced Technology Ltd	China	100%	100%
Golden Phoenix Xiang-Xi Ltd	China	100%	100%
Golden Phoenix Copper (East Africa)	Mauritius	0%	100%
Phoenix (Africa) Gold Resources	Mauritius	0%	100%
Gunnison Gold Pty Ltd	Australia	100%	-
Fossil Creek Mines LLC	USA	100%	-
CRG Mining LLC	USA	100%	-
Saguache Mining LLC	USA	100%	-
SLC Minerals LLC	USA	100%	-

21 COMMITMENTS

(a) Exploration & Evaluation Commitments

	30-Jun-17	30-Jun-16
	\$	\$
Within one year	844,559	546,319
After one year but not more than five years	974,189	1,689,930
After more than five years	654,491	-
Total minimum commitment	<u>2,473,239</u>	<u>2,236,249</u>

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

22 SUBSEQUENT EVENTS

On 21 July 2017, the company announced that it was undertaking a 1 for 2 non-renounceable rights issue of up to 200,247,902 fully paid ordinary shares at \$0.02 per share to raise up to \$4,000,000. The Company closed the Rights Issue on 9 August 2017, raising a total of \$2,184,835. Total applications were received for 109,241,756 new shares. These shares were subsequently issued on 16 August 2017.

No other matter or event has arisen since 30 June 2017 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.

23 CONTINGENT LIABILITIES

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

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

Royalties payable to owner of Gunnison Property

Also as a result of the acquisition of CRG the Group entered into a lease agreement with the owner of land located at the Gunnison property. The lease entitles the owner of this land to Royalty payments as detailed below:

The Lessee shall pay Royalties to the Lessor based on a percentage of Net Smelter Returns base on the Gold Price per Ounce as follows:

Gold Price per Ounce (USD)	Ownership Percentage of Net Smelter Returns
\$1,000 and below	1.0%
\$1,001 to 1,500	An Additional 0.1% for every \$100 in excess of \$1,000 up to \$1,500
\$1,501 to \$2,000	2.0%
\$2,001 to \$5,500	2.0% plus additional 0.1% for every \$100 in excess of \$2,000 up to \$5,500
\$5,501 and above	7.0%

The percentage will be adjusted bi- annually if the total amount of gold produced over a 6 month period is great than one ounce per ton. The adjustment is calculated by multiplying the average Ownership Percentage of Net Smelter returns during each 6 month period by the Gold Ratio. The Gold Ratio is the ratio of the amount of ounces of gold produced verses the tonnes of ore mined and milled.

The maximum percentage payable is capped at 7%.

Minimum payment if no production occurs

If no production is under taken after 31 October 2018 the Lessor is entitled to 75,000 (USD) per calendar year if the following conditions are met:

- (i) A commercial quantity (as determined by the Lessee's project engineer and geologist) of ore being available; and
- (ii) The gold price being at least \$1,200 (USD) per ounce for not less than 40 consecutive days during the relevant calendar quarter.

No contingent liabilities were noted by the Group for the financial year ended 30 June 2016.

24 DIVIDENDS

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

25. REMUNERATION OF AUDITORS

	30-Jun-17	30-Jun-16
	\$	\$
Amounts received or due and receivable by auditors.		
(a) HLB Mann Judd		
An audit or review of the financial report of the Company	45,500	32,508
	<u>45,500</u>	<u>32,508</u>

26. PARENT ENTITY INFORMATION

(a) Financial Position

	30-Jun-17	30-Jun-16
	\$	\$
Assets		
Current assets	1,008,000	66,155
Non-current assets	4,503,926	944,610
Total Assets	<u>5,511,926</u>	<u>1,010,765</u>
Liabilities		
Current liabilities	3,717,670	708,182
Non-Current liabilities	-	-
Total Liabilities	<u>3,717,670</u>	<u>708,182</u>
Net Assets	<u>1,794,256</u>	<u>302,583</u>
Equity		
Issued equity	10,792,611	7,304,362
Reserves	544,521	429,181
Retained earnings	(9,542,876)	(7,430,960)
Total Equity	<u>1,794,256</u>	<u>302,583</u>

(b) Financial Performance

	30-Jun-17	30-Jun-16
	\$	\$
Loss for the year	2,111,916	454,973
Other comprehensive income	-	-
Total Comprehensive Income	<u>2,111,916</u>	<u>454,973</u>

(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 2017 other than that disclosed in notes 21 and 23.

27. ENTITIES ACQUIRED DURING THE YEAR
CURRENT YEAR ENDED 30 JUNE 2017

(a) Summary of acquisitions

On 30 November 2016 the Group acquired 100% of the issued capital of Gunnison Gold Pty Ltd (GGP) and its 100% owned subsidiaries CRG Mining LLC (which owns the permitted Gold Links mine in Colorado USA) and SLV Minerals LLC (which owns a 50 tonnes per day ore processing mill located on 15 acres of freehold land in Colorado USA) from Southern Cross Exploration NL.

(b) Purchase consideration

The total purchase consideration paid was \$4,503,926 which included 35,000,000 unlisted options and 25,000,000 fully paid ordinary shares in Dateline Resources valued at \$115,339, and \$250,000 respectively.

The allocation of the total purchase consideration of plant and equipment and land and buildings was based upon independent expert valuations obtained. The valuations for plant and equipment and buildings were based upon the replacement cost of the assets adjusted for their age and condition. The valuation of the land was based upon comparable sales.

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

	Value
	\$
Tenements	848,653
Mining plant and equipment	2,323,211
Mining land and buildings	1,332,062
	<u>4,503,926</u>

PREVIOUS YEAR ENDED 30 JUNE 2016

(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 12 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>

28. 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.

DATELINE RESOURCES LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2017

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 2017 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
27 September 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Dateline Resources Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Dateline Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company on 27 September 2017, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Regarding Going Concern

We draw attention to Note 2(f) (Going Concern) in the financial report, which indicates that the Group incurred a net loss of \$1,751,762 during the year ended 30 June 2017 and, as of that date, had cash of \$261,279 and working capital surplus of \$1,642. As stated in Note 2(f) (Going Concern), these events or conditions, along with other matters as set forth in Note 2(f) (Going Concern), indicate that a material uncertainty exists that may cast significant doubt on the Company's (or Group's) ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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DATELINE RESOURCES
ABN 63 149 105 653

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying amount of exploration and evaluation assets Note 12</p>	
<p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group capitalises acquisition costs of rights to explore and applies the cost model after recognition.</p> <p>Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation assets because this is one of the significant assets of the Group. There is a risk that the capitalised expenditure no longer meets the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of exploration and evaluation assets may exceed their recoverable amount.</p> <p>The group has two areas of interest, one in Fiji, the other in the United States of America ("USA").</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> Reviewing a sample of capitalised costs to supporting documentation to ensure they had been capitalised in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources; Confirming the total consideration payable to acquire CRG Mining LLC and SLV Minerals LLC was correctly allocated between intangible exploration assets and tangible mining assets with reference to management's expert valuations of the tangible assets acquired. We agreed that these valuations had been prepared in accordance with AASB 13 and met the requirements included in ASA 500. Considering the Director's assessment of potential indicators of impairment; Obtaining evidence that the Group had current right of tenure over its areas of interest; and Examining the disclosures made in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

DATELINE RESOURCES
ABN 63 149 105 653

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

DATELINE RESOURCES
ABN 63 149 105 653

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 and 9 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Dateline Resources Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

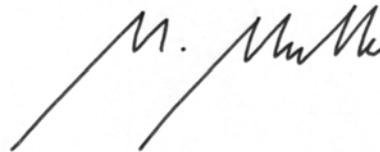
Responsibilities

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.



HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

Sydney, NSW
27 September 2017



M D Muller
Director

The following additional information was applicable as at 25 September 2017.

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	331	Each shareholder is entitled to one vote per share held
Unlisted Options	0	N/A

There are a total of 509,737,560 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	64
1,001 - 5,000	9
5,001 - 10,000	32
10,001 - 100,000	126
100,001 and above	100

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 127 shareholders who hold less than a marketable parcel of shares.
- The number of fully paid ordinary shareholdings held in less than marketable parcels is 4,919,676.

4. Substantial shareholders

As at report date there are three 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 92.24% of the securities in this class and are listed below:

#	Holder Name	Quantity	% Holding
1	Southern Cross Exploration NL	217,515,002	42.67%
2	Johnson Mark Roderick Granger	71,176,396	13.96%
3	Spinite PL	39,876,665	7.82%
4	Advance Conveyors PL	25,000,000	4.90%
5	Southern Cross Exploration NL	22,500,000	4.41%
6	Gecko Res PL	13,575,000	2.66%
7	Noble Inv Super Fund PL	10,300,000	2.02%
8	Ligon 205 PL	10,259,827	2.01%
9	Omaroo PL	9,999,887	1.96%
10	Ma Lan PL	9,999,887	1.96%
11	Rigi Inv PL	6,700,000	1.31%
12	JB Toro PL	6,290,000	1.23%
13	Leon Fink Holdings PL	5,000,000	0.98%
14	Monterey Consolidated SVC	4,939,312	0.97%
15	Satur Inv PL	4,000,000	0.78%
16	Advance Conveyors PL	3,700,000	0.73%
17	Capp Stewart	2,681,875	0.53%
18	Pattinson Andrew	2,500,000	0.49%
19	Miron Paul	2,450,000	0.48%
20	Hanian Inv PL	1,909,000	0.37%
	TOTAL	470,372,851	92.24%

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	SPL 1506	100%	Fiji
Udu	SPL 1507	100%	Fiji
Gold Links Mine	34 Patented Claims	100%	Colorado USA
Gold Links Mine	20 Unpatented Claims	100%	Colorado USA