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DATELINE RESOURCES LIMITED

A.C.N. 149 105 653

FINANCIAL REPORT to SHAREHOLDERS

for the HALF YEAR ENDED

31 DECEMBER 2019

Directors & Officers

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

Registered Office

Level 29
2 Chifley Square
Sydney NSW 2000

PO Box 553
South Hurstville NSW 2221

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F: +61 (02) 8231 6487
E-mail: info@datelineresources.com.au
[Website: www.datelineresources.com.au](http://www.datelineresources.com.au)

Securities Exchange

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

Australian Company Number

ACN 149 105 653

Australian Business Number

ABN 63 149 105 653

Bankers

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

Auditors

HLB Mann Judd
Level 19, 207 Kent Street
Sydney NSW 2000
Website: www.hlb.com.au

Share Registry

Automic Group
GPO Box 5193
Sydney NSW 2001
Website: www.automicgroup.com.au

Solicitors

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

Domicile and Country of Incorporation

Australia

The Directors present their report of Dateline Resources Limited ("the Company") for the half year ended 31 December 2019 ("the Period").

1. DIRECTORS

The names of the Company's Directors in office during the Period and until the date of this report are set out below. Directors were in office for this entire Period unless otherwise stated.

Director / Position	Duration of Appointment
Mr. Mark Johnson AO Chairman	Appointed 22 April, 2013
Mr. Stephen Baghdadi CEO and Managing Director	Appointed 3 July, 2014
Mr. Greg Hall Non-Executive Director	Appointed 19 January 2016
Mr. Anthony Ferguson Non-Executive Director	Appointed 29 August 2019

2. COMPANY SECRETARY

The Company Secretary role was held by the following individual during the half year:

- Mr. John Smith (appointed 24 October 2013).

3. PRINCIPAL ACTIVITIES

Dateline Resources Limited (ASX: DTR) is an Australian publicly listed company focused on gold mining and exploration in Colorado, United States of America. The Company owns 100% of the Gold Links project which is located in Gunnison County.

The Gold Links project is comprised of several contiguous historic gold mines that have been consolidated by the company, and has produced up to 150,000 oz of high-grade gold (see ASX announcement of 8 February 2019).

Mineralisation can be traced on surface and underground for almost 6km from the Northern to the Southern sections of the project. Well documented records indicate that there are large areas that remain untested at surface and little to no exploration has been done below the valley floor.

Dateline also owns the Green Mountain project which includes Lucky Strike and Mineral Hill permitted gold properties and has recommissioned a gold processing plant located at the Lucky Strike Mine. The Gold Links and the Lucky Strike are located approximately 50km apart.

The Company is reviewing its interest in Fiji with a view to identifying a Joint Venture partner that would enter a farm in agreement on its Fijian assets.

4. REVIEW OF OPERATIONS AND ACTIVITIES

TENEMENT SCHEDULE			
Project	Number	Ownership	Location
Gold Links Permitted Mine	39 Patented Claims	100%	Colorado USA
Gold Links Permitted Mine	20 Unpatented Claims	100%	Colorado USA
Lucky Strike Permitted Mine & Mineral Hill Historic Mine	19 Patented Claims	100%	Colorado USA
Lucky Strike Permitted Mine & Mineral Hill Historic Mine	13 Patented Claims	100%	Colorado USA
Udu	SPL1387	100%	Fiji
Udu	SPL1396	100%	Fiji

Dateline seeks to create 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.

The company has spent the past two years consolidating ownership of several historic gold mines in the Gold Brick district of Gunnison County Colorado.

The company has undertaken a major development, exploration and acquisition program in Colorado that included ~1000ft decline and over 10,000ft of diamond drilling plus the recommissioning of the Lucky Strike Mill and the sale of our first concentrate produced from commissioning ore.

Assays from the drill core confirmed the existence of high-grade shoots of ore. This was a key driver in deciding to acquire additional ground in the region. The company has progressed from having a single lease over ~400 acres to owning ~1700 acres of freehold and all the underlying mineral rights. It is the first time in the regions history that a single entity has been able to consolidate the majority of the land that makes up what is referred to as the Gold Brick district in Gunnison Colorado.

In the process of acquiring the assets, the Company was able to extinguish USD20,000,000 of near term and contingent liabilities and retain outright ownership of all the assets.

As a result of the consolidation, the Company is now able to apply an understanding of the regional geology to implement targeted exploration programs that aim to prove up a JORC compliant resource.

FIJI

Metallurgical test work at the Udu polymetallic project in Fiji is ongoing. The project contains a JORC compliant inferred resource estimate of 4.53 million tonnes averaging 3.9% Zn, 1.2% Cu, 0.14% Pb, 0.26g/t Au, 29g/t Ag and 635ppm As using a 0.5% Zn cut off.

Results from test work are expected is ongoing and expected to be finalised in the March Quarter 2020. Board and management have determined to spend the minimum amount required to retain ownership of the project and actively pursue a joint venture or farm in partner.

FINANCIAL RESULTS

The financial results of the Company for the half year ended 31 December 2019 are:

	31-Dec-19	30-Jun-19
Cash & Cash equivalents (\$)	1,462,113	4,816,924
Net Assets (\$)	18,637,971	20,268,735

	31-Dec-19	31-Dec-18
Revenue (\$)	17,480	65,376
Net Profit (Loss) After Tax (\$)	(1,759,250)	(1,887,149)
Profit/(Loss) per Share (Cents)	(0.02)	(0.26)
Dividend (\$)	-	-

5. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the company during the period.

6. SIGNIFICANT MATTERS AFTER BALANCE DATE

No other matter or event has arisen since 31 December 2019 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.

7. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on Page 6 of this report.

Signed in accordance with a resolution of Directors.



Mark Johnson AO
Chairman
13 March 2020

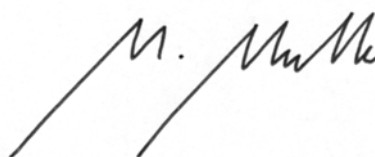
Auditor's Independence Declaration

To the directors of Dateline Resources Limited:

As lead auditor for the review of the financial report of Dateline Resources Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

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



Sydney, NSW
13 March 2020

M D Muller
Partner

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DATELINE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	<u>31-Dec-19</u>	<u>31-Dec-18</u>
		\$	\$
Continuing operations			
Revenue		17,480	65,376
Exploration expenditure		(277,826)	(27,569)
Employment expenses		(19,298)	(67,716)
Finance charges		(379,080)	(682,057)
Exchange gain/(loss)		1,686	(222,470)
Administration expenses	4	<u>(1,102,212)</u>	<u>(952,713)</u>
Profit/(Loss) from continuing operations before income tax		<u>(1,759,250)</u>	<u>(1,887,149)</u>
Income tax expense		-	-
Profit/(loss) from continuing operations after income tax		<u>(1,759,250)</u>	<u>(1,887,149)</u>
Other comprehensive profit/(loss)			
Foreign Currency Translation Reserve		<u>(20,762)</u>	<u>(16,803)</u>
Total comprehensive profit/(loss) for the period		<u>(1,780,012)</u>	<u>(1,903,952)</u>
Profit/(loss) for the period is attributable to:			
Owners of the Company		<u>(1,759,250)</u>	<u>(1,887,149)</u>
		<u>(1,759,250)</u>	<u>(1,887,149)</u>
Total comprehensive profit/(loss) for the period attributable to:			
Owners of the Company		<u>(1,780,012)</u>	<u>(1,903,952)</u>
		<u>(1,780,012)</u>	<u>(1,903,952)</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		(0.022)	(0.26)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

DATELINE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Note	31-Dec-19 \$	30-Jun-19 \$
Current Assets			
Cash & cash equivalents		1,462,113	4,816,924
Trade & other receivables		94,293	208,635
Financial assets		43,460	11,970
Total Current Assets		<u>1,599,866</u>	<u>5,037,529</u>
Non-Current Assets			
Plant & equipment land & buildings	5	16,860,339	15,855,709
Exploration & evaluation expenditure	6	8,182,842	7,035,316
Total Non-Current Assets		<u>25,043,181</u>	<u>22,891,025</u>
TOTAL ASSETS		<u>26,643,047</u>	<u>27,928,554</u>
Current Liabilities			
Trade & other payables	7	428,816	338,658
Loans from related parties	8	2,207,444	2,228,591
Total Current Liabilities		<u>2,636,260</u>	<u>2,567,249</u>
Non-Current Liabilities			
Trade & other payables	7	5,368,816	5,092,570
Total Non-Current Liabilities		<u>5,368,816</u>	<u>5,092,570</u>
TOTAL LIABILITIES		<u>8,005,076</u>	<u>7,659,819</u>
NET ASSETS		<u>18,637,971</u>	<u>20,268,735</u>
Equity attributable to the equity holders of the Company			
Contributed equity	9	34,646,621	34,497,373
Reserves	10	(454,714)	(318,613)
Accumulated losses		(15,553,936)	(13,910,025)
TOTAL EQUITY		<u>18,637,971</u>	<u>20,268,735</u>

The above Consolidated Statement of Financial Position
should be read in conjunction with the accompanying notes.

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DATELINE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	Issued Capital	Other Equity	Accumulated Losses	Option Valuation Reserve	Foreign Currency Reserve	TOTAL
	\$	\$	\$	\$	\$	\$
Balance as at 1 July, 2019	34,497,373	-	(13,910,025)	327,169	(645,782)	20,268,735
Total Profit / (loss)	-	-	(1,759,250)	-	-	(1,759,250)
Total other comprehensive income	-	-	-	-	(20,762)	(20,762)
Total comprehensive Income for the Period	-	-	(1,759,250)	-	(20,762)	(1,780,012)
<i>Transaction with owners in their capacity as owners</i>						
Options expired	-	-	115,339	(115,339)	-	-
Contributions of equity	149,248	-	-	-	-	149,248
Balance as at 31 December 2019	34,646,621	-	(15,553,936)	211,830	(666,544)	18,637,971
	Issued Capital	Other Equity	Accumulated Losses	Option Valuation Reserve	Foreign Currency Reserve	TOTAL
	\$	\$	\$	\$	\$	\$
Balance as at 1 July, 2018	19,528,784	275,830	(10,751,448)	161,043	(50,444)	9,163,765
Total Profit / (loss)	-	-	(1,887,149)	-	-	(1,887,149)
Total other comprehensive income	-	-	-	-	(16,803)	(16,803)
Total comprehensive Income for the Period	-	-	(1,887,149)	-	(16,803)	(1,903,952)
<i>Transaction with owners in their capacity as owners</i>						
Options expired	-	-	45,704	(45,704)	-	-
Contributions of equity	42,482	(275,830)	-	211,830	-	(21,518)
Balance as at 31 December 2018	19,571,266	-	(12,592,893)	327,169	(67,247)	7,238,295

The above Consolidated Statement of Changes in Equity
should be read in conjunction with the accompanying notes.

DATELINE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31-Dec-19	31-Dec-18
	\$	\$
Cash flows used in operating activities		
Receipts from customers	17,480	65,376
Payment to suppliers and employees	<u>(884,800)</u>	<u>(614,900)</u>
Net cash flows used in operating activities	<u>(867,320)</u>	<u>(549,524)</u>
Cash flows used in investing activities		
Deposits and loans made	(31,490)	-
Payment for fixed assets	(1,004,630)	(1,531,150)
Payment for exploration & evaluation expenditure	<u>(1,147,526)</u>	<u>(340,829)</u>
Net cash flows used in investing activities	<u>(2,183,646)</u>	<u>(1,871,979)</u>
Cash flows from financing activities		
Repayment loan advance	(303,845)	-
Capital raising expenses	-	(43,318)
Advance of related party loans	-	<u>2,449,000</u>
Net cash flows from financing activities	<u>(303,845)</u>	<u>2,405,682</u>
Net increase/(decrease) in cash and cash equivalents	(3,354,811)	(15,821)
Cash and cash equivalents at beginning of period	<u>4,816,924</u>	<u>91,848</u>
Cash and cash equivalents at end of period	<u><u>1,462,113</u></u>	<u><u>76,027</u></u>

The above Consolidated Statement of Cash Flows
should be read in conjunction with the accompanying notes.

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1. CORPORATE INFORMATION

The financial report of Dateline Resources Limited (the "Company") covers the period from 1 July 2019 to 31 December 2019 (the "Period"). The Company was incorporated on 3 February 2011.

In June 2011, the Company was listed on the Australian Securities Exchange (ASX) through initial Public Offering Prospectus dated 18 April 2011.

The Company is an Australian-based mineral exploration company with existing exploration projects in the Republic of Fiji and mining permits in Colorado USA. The address of the registered office of the Company is Level 29, 2 Chifley Square Sydney NSW 2000.

The financial report of Dateline Resources Limited for the Period was authorised for issue in accordance with a resolution of the Directors on 13 March 2020.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

This general purpose interim condensed financial report of the Company for the Period has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that the interim financial report be read in conjunction with the annual financial statements for the year ended 30 June 2019 and considered together with any public announcements made by the Company during the Period and up to the date of this report in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The accounting policies and methods of computation adopted in the preparation of this financial report for the Period under review are consistent with those adopted in the annual financial statements for the year ended 30 June 2019. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement and AASB 15 Revenue from Contracts with Customers replaces AASB 119 Revenue and AASB 111 Construction Contracts. These new standards are effective for the Company from 1 July 2018. The Company has performed an assessment and concluded that no transitional adjustments were required as a result of complying with the new requirements.

There are no other new accounting standards and interpretations that have been published and have been early adopted for the 31 December 2019 reporting period that are material to the financial statements.

(b) 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 period, the consolidated entity incurred a comprehensive loss of \$1,780,012 (2018: \$1,903,952 loss) a net cash outflow of \$3,354,811 (2018: \$15,821 outflow) and net cash out flow from operations of \$867,320 (2018: \$549,524). As at 31 December 2019, the consolidated entity also had a deficiency in working capital of \$1,036,394 (June 2019 : \$2,470,280 surplus in working capital) and cash assets of \$1,462,113 (June 2019 : \$4,816,924).

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;
- Commence milling at Sooner Lucky Strike 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.

Accordingly, there is a material uncertainty that may cast doubt on the Group's ability to continue as a going concern. No adjustment have been made in relation to the recoverability and classification of recorded assets amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

(c) New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. OPERATING SEGMENTS

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

	Australia	USA	Fiji	Consolidation	TOTAL
	A\$	A\$	A\$	Entries	A\$
				A\$	
31 December 2019					
Revenues	17,480	-	-	-	17,480
Segment Result	(958,823)	(800,427)	-	-	(1,759,250)
31 December 2018					
Revenues	-	65,376	-	-	65,376
Segment Result	(1,602,322)	(284,827)	-	-	(1,887,149)
31 December 2019					
Total Segment Assets	38,400,350	3,598,246	4,415,522	(19,771,071)	26,643,046
Total Segment Liabilities	7,596,825	1,473,700	5,163,708	(6,229,156)	8,005,077
30 June 2019					
Total Segment Assets	39,976,212	18,110,866	4,323,974	(34,482,498)	27,928,554
Total Segment Liabilities	(8,363,122)	(15,167,538)	(5,069,742)	20,940,583	(7,659,819)

		Consolidated	
		31-Dec-19	31-Dec-18
		\$	\$
4.	ADMINISTRATION EXPENSES		
	Consulting and corporate expenses	525,218	645,335
	Compliance and regulatory expenses	70,890	57,204
	Other administration expenses	506,104	250,174
	TOTAL ADMINISTRATION EXPENSES	<u>1,102,212</u>	<u>952,713</u>
		31-Dec-19	30-Jun-19
		\$	\$
5.	PLANT & EQUIPMENT LAND & BUILDINGS		
	Carrying amount of Fixed Assets	<u>16,860,339</u>	<u>15,855,709</u>
(a)	Plant & Equipment		
	At Valuation / Cost	54,989	54,989
	Less accumulated depreciation	<u>(54,989)</u>	<u>(54,989)</u>
	Total Plant & Equipment	-	-
	Balance at the beginning of the period	-	-
	Balance at the end of the period	-	-
(b)	Office Equipment/Furniture & Fittings		
	At Cost	75,414	59,267
	Less accumulated depreciation	<u>(51,773)</u>	<u>(51,773)</u>
	Total Office Equipment	<u>23,641</u>	<u>7,494</u>
	Movement during the Period		
	Balance at the beginning of the period	7,494	-
	Additions	<u>16,147</u>	<u>7,494</u>
	Balance at the end of the period	<u>23,641</u>	<u>7,494</u>
(c)	Mining plant & equipment		
	At Cost	<u>4,055,667</u>	<u>3,697,898</u>
	Total mining plant & equipment	<u>4,055,667</u>	<u>3,697,898</u>
	Movement during the Period		
	Balance at the beginning of the period	3,697,898	3,152,074
	Additions	<u>357,769</u>	<u>545,824</u>
	Balance at the end of the period	<u>4,055,667</u>	<u>3,697,898</u>
(d)	Mining & Mill Development		
	At Cost	<u>5,355,318</u>	<u>4,737,436</u>
	Total Mining land & buildings	<u>5,355,318</u>	<u>4,737,436</u>
	Movement during the Period		
	Balance at the beginning of the period	4,737,436	3,861,853
	Additions	<u>617,882</u>	<u>875,583</u>
	Balance at the end of the period	<u>5,355,318</u>	<u>4,737,436</u>

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		Consolidated	
		31-Dec-19	30-Jun-19
		\$	\$
5.	PLANT & EQUIPMENT LAND & BUILDINGS (Cont'd)		
(e)	Mining land & buildings		
	At Cost	<u>7,425,713</u>	<u>7,412,881</u>
	Total mining plant & equipment	<u>7,425,713</u>	<u>7,412,881</u>
	Movement during the Period		
	Balance at the beginning of the period	7,412,881	5,412,284
	Additions - Raymond & Carter land	<u>12,832</u>	<u>2,000,597</u>
	Balance at the end of the period	<u>7,425,713</u>	<u>7,412,881</u>
		Consolidated	
		31-Dec-19	30-Jun-19
		\$	\$
6.	EXPLORATION & EVALUATION EXPENDITURE		
	Carrying amount of exploration expenditure	<u>8,182,842</u>	<u>7,035,316</u>
	Movement during the Period		
	Balance at the beginning of the Period	7,035,316	6,305,886
	Expenditure incurred during the Period	<u>1,147,526</u>	<u>729,430</u>
	Balance at the end of the Period	<u>8,182,842</u>	<u>7,035,316</u>

The ultimate recoupment of the costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively, the sales of the respective area of interest. The Board has reviewed the situation and the status of the exploration assets and considers that their carrying value is appropriate and recoverable as at 31 December 2019.

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7. TRADE & OTHER LIABILITIES	\$	\$
Current		
Trade and sundry creditors	408,135	310,033
Accruals	20,681	28,625
	<u>428,816</u>	<u>338,658</u>
Non-Current		
Amount owed to the vendors of ALSH LLC	2,684,408	2,546,285
Amount owed to the vendors of CRG Mining LLC	2,684,408	2,546,285
	<u>5,368,816</u>	<u>5,092,570</u>

The amount above of \$5,368,816 was arrived at after applying an annual discount rate of 10% to future payments which are all payable on 31 December 2022.

8. LOANS FROM RELATED PARTIES		
Current		
Amounts owed to Southern Cross Resources NL	1,032,281	1,133,052
Amounts owed to Mr. Mark Johnson	1,175,163	1,095,539
Total current loans from shareholders	<u>2,207,444</u>	<u>2,228,591</u>
Total non-current loans from shareholders	-	-
TOTAL LOANS FROM RELATED PARTIES	<u>2,207,444</u>	<u>2,228,591</u>

The amount owed to Southern Cross Exploration N.L. of \$1,032,281 is made up of:

- \$248,747 (June 2019 \$398,242) which are expenses paid by Southern Cross Exploration N.L. for and on behalf of the Company. This amount is unsecured and interest free.
- \$783,534 (June 2019 \$734,810) which represents unsecured loans including interest. Details of these loans are included in note 11. Interest of \$48,725 (\$278,855, Dec 2018) was charged on the loan during the period.

The amount owed to Mr. Johnson of \$1,175,163 (June 2019 \$1,095,539) represents unsecured loans including interest. Details of these loans are included in note 11. Interest of \$79,624 (\$186,334, Dec 2018) was charged on the loan during the period.

9. CONTRIBUTED EQUITY

(a) Share Capital

		Consolidated	
		31-Dec-19	30-Jun-19
	Ordinary Capital		
	Number of Shares	8,210,078,076	8,135,453,910
	Paid Up	\$34,646,621	\$34,497,373

(b) Movements in Share Capital

		Consolidated	
		Number of Shares	\$
01 Jul 2019	Opening Balance	8,135,453,910	34,497,373
15 Nov 2019	Issue of shares	74,624,166	149,248
	Closing Balance	<u>8,210,078,076</u>	<u>34,646,621</u>

10. RESERVES

		Consolidated	
		31-Dec-19	30-Jun-19
		\$	\$
	Option Valuation Reserve	211,830	327,169
	Foreign Currency Translation Reserve	(666,544)	(645,782)
		<u>(454,714)</u>	<u>(318,613)</u>

Option Valuation Reserve

10 million unlisted options relating to the purchase price of freehold land acquired were issued on 10 July 2018. They are valued at \$211,830.

Foreign Currency Translation Reserve

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

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11. RELATED PARTY DISCLOSURES

As at 31 December 2019 there were loans outstanding from related parties Southern Cross Exploration N.L. ("SXX") and Mr. Mark Johnson as depicted in the table below:

Loans from SXX as at : 31 Dec 2019				Interest	Line
Loan Date	Principal	Interest	O/S	Rate	Fee
18/09/2018	\$67,798	\$9,315	\$77,113	15.06%	5.00%
19/09/2018	\$110,529	\$13,740	\$124,269	15.06%	5.00%
24/09/2018	\$55,161	\$6,870	\$62,031	15.06%	5.00%
10/10/2018	\$108,566	\$13,602	\$122,168	15.06%	5.00%
12/10/2018	\$104,101	\$13,053	\$117,154	15.06%	5.00%
29/10/2018	\$54,439	\$6,870	\$61,309	15.06%	5.00%
14/11/2018	\$108,218	\$13,740	\$121,958	15.06%	5.00%
15/11/2018	\$86,541	\$10,992	\$97,533	15.06%	5.00%
TOTAL	\$695,353	\$88,181	\$783,534		

Loan from Mark Johnson as at : 31 Dec 2019				Interest	Line
Loan Date	Principal	Interest	O/S	Rate	Fee
13/09/2018	\$1,048,803	\$126,360	\$1,175,163	15.06%	5.00%
TOTAL	\$1,048,803	\$126,360	\$1,175,163		

12. DIVIDENDS

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

13. COMMITMENTS

Exploration & Evaluation Commitments

	31-Dec-19	30-Jun-19
	\$	\$
Within one year	168,820	132,281
After one year but not more than five years	-	36,539
After more than five years	-	-
Total minimum commitment	168,820	168,820

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

14. CONTINGENT LIABILITIES

There are existing contingent liabilities in regard to Royalty Arrangements to the vendors of CRG Mining LLC. (CRG). The vendors of CRG are entitled to receive royalty payments at a rate of US\$50 for each ounce of gold produced from any mining operations conducted on the acquired tenements up to a maximum of US\$5 million (Maximum Amount). Regardless of production, an aggregate minimum amount of US\$2.5 million will be paid by 31 December 2022 which is included in the deferred consideration. (Refer note 7).

Relating to the Sooner Lucky Strike Mine there is also a contingent liabilities in regard to Royalty Arrangements to the vendors of ALSH LLC. (ALSH). The vendors of ALSH are entitled to receive royalty payments at a rate of US\$50 for each ounce of gold produced from any mining operations conducted on the acquired tenements up to a maximum of US\$5 million (Maximum Amount). Regardless of production, an aggregate minimum amount of US\$2.5 million will be paid by 31 December 2022 which is included in the deferred consideration. (Refer note 7).

Royalties payable to the previous owner of Gunnison Property

During the year ended 30 June 2018 the Company acquired freehold land over the Gold Links property. The agreement entitles the previous owner of this land to Royalty payments as detailed below:

The Company shall pay Royalties to the previous owner 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 previous owner is entitled to US\$15,000 per calendar year if the following condition is met:

- (i) A commercial quantity (as determined by the previous owner’s project engineer and geologist) of ore is available.

There were no changes to contingent liabilities since 30 June 2019.

15. SIGNIFICANT MATTERS AFTER BALANCE DATE

No other matter or event has arisen since 31 December 2019 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.

16. EARNINGS PER SHARE

	Consolidated	
	Six Months ended 31-Dec-19	Six Months ended 31-Dec-18
Basic and diluted loss per share	(\$0.02)	(\$0.26)
Net loss used to calculate earnings loss per share	(\$1,759,250)	(\$1,887,149)
Weighted average number of ordinary shares on issue used in the calculation of earnings per share	8,154,211,897	722,233,509

DATELINE RESOURCES LIMITED
DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

In the Directors' opinion:

- (a) The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
- (i) Giving a true and fair view of the financial position as at 31 December 2019 and the performance for the period 1 July 2019 to 31 December 2019 of the Company.
 - (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.

On behalf of the Board of Directors.



Mark Johnson
Chairman
13 March 2020

Independent Auditor's Review Report to the Members of Dateline Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Dateline Resources Limited ("the company") which comprises the consolidated statement of financial position as at 31 December 2019, 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 half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dateline Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 2(b) Going concern basis, which indicates that the company's ability to continue as a going concern is dependent on it raising sufficient capital or commencing mining operations. These conditions, along with other matters set forth in Note 2(b), indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

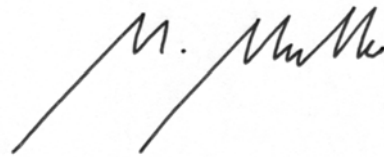
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.



**HLB Mann Judd
Chartered Accountants**

**Sydney, NSW
13 March 2020**



**M D Muller
Partner**

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