



**DATELINE RESOURCES LIMITED
& IT'S CONTROLLED ENTITIES**

A.C.N. 149 105 653

FINANCIAL REPORT to SHAREHOLDERS

for the HALF YEAR ENDED

31 DECEMBER 2022

Directors & Officers

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

Registered Office

Level 29
2 Chifley Square
Sydney NSW 2000

Postal Address

Level 29, 2 Chifley Square
Sydney NSW 2000
T: +61 (02) 9375 2353
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 Business Number

ABN 63 149 105 653

Bankers

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

Auditors

DFK Laurence Varnay Auditors Pty Ltd
Level 22, 222 Pitt Street
Sydney NSW 2000
Website: www.dfklv.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 2022 ("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. Gregory Hall Non-Executive Director	Appointed 19 January 2016
Mr. Anthony Ferguson Non-Executive Director	Appointed 29 August 2019
Mr. Bill Lannen Non-Executive Director	Appointed 15 January 2021

2. COMPANY SECRETARY

The Company Secretary role was held by the following individuals during the period:

- Mr. Mark Ohlsson (appointed 1 November 2021, resigned 5 October 2022)
- Mr John Smith (appointed 5 October 2022).

3. PRINCIPAL ACTIVITIES

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

The Gold Links Gold Mine is a historic high-grade gold mining project where over 150,000 ounces of gold was mined from high-grade veins. Mineralisation can be traced on surface and underground for almost 6km from the northern to the southern sections of the project.

The Company owns the Lucky Strike gold mill, located 50km from the Gold Links mine, within the Green Mountain Project. The plant is currently on care and maintenance.

The Colosseum Gold Mine is located less than 10km north of the Mountain Pass Rare Earth mine. Work has commenced on identifying the source of the mantle derived rocks that are associated with carbonatites and are located adjacent to the Colosseum mine.

The Colosseum Gold Mine was mined between 1988 and 1993, with 344,000 ounces produced from an original 1.1 million ounce resource. Mineralisation is contained within two vertical breccia pipes that have been intersected at depths of up to 3000 feet below surface.

4. REVIEW OF OPERATIONS AND ACTIVITIES

GOLD LINKS

The Gold Links project is comprised of several contiguous historic gold mines that have been consolidated by the company and the associated Lucky Strike Mill. Historical production from the Gold Links mines is up to 150,000 oz of high-grade gold from narrow vein underground mining (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.

During the reporting period, the company was able to advance the project to the point of producing gold concentrate for sale. Unfortunately, the costs associated with supply chain delays, labour shortages and inflation in general strained the company's finances to the point where it was no longer possible to continue advancing the project. Sales from concentrate produced were insufficient to meet operating costs and a decision to place the Gold Links project on care and maintenance was made in December 2022. Since placing the project on care and maintenance, the Company has advanced joint venture plans with the owners of the London mine in Colorado.

COLOSSEUM

The Company acquired the Colosseum Gold mine from Barrick Gold Corporation in March 2021.

The Colosseum Gold Mine was mined between 1988 and 1993, with 344,000 ounces produced from an original 1.1 million ounce resource. Mineralisation is contained within two vertical breccia pipes that have been intersected at depths of up to 3000 feet below surface.

During the reporting period, the company announced (see ASX announcement 6 July 2022) a maiden JORC resource of 813,000 ounces of gold at the Colosseum mine of which approximately 70% is categorized as Measured and Indicated. The Company also analysed data collected from a gravity survey and field exploration to identify Rare Earth's (REE) drill targets. Several compelling targets have been identified.

The Company advanced its permitting process at the Colosseum to be able to complete a detailed drilling program.

FIJI

No fieldwork was undertaken on the company's Fiji Udu polymetallic project during the reporting period and the company continues to investigate the potential to introduce a joint venture partner into this project.

FINANCIAL RESULTS

The financial results of the Company for the half year ended 31 December 2022 are:

	31-Dec-22	30-Jun-22
Cash & Cash equivalents (\$)	177,107	1,936,037
Net Assets (\$)	2,088,565	9,856,330

	31-Dec-22	31-Dec-21
Revenue (\$)	423,797	-
Net Loss After Tax (\$)	(14,633,145)	(4,925,094)
Loss per Share (Cents)	(2.63)	(1.15)
Dividend (\$)	-	-

5. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

As noted in item 4. above, the company decided to place the Gold Links project into care and maintenance. Operating losses in the period were substantial and contributed to the diminution of shareholders' funds from \$9,856,330 to \$2,088,565.

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

6. SIGNIFICANT MATTERS AFTER BALANCE DATE

On 3 February 2023, the Company received a funding term sheet for US\$5 million from it's US bankers Madison One Cuso to be used at the Gold Links in Colorado USA. Funding is subject to an 80% guarantee from the United States Department of Agriculture. Interest for the funds is 10.25% with a term of 10 years.

On 2 March 2023, the Company announced that it had received firm commitments to raise \$2.71 million pursuant to a placement of 135,000,000 new shares in the Company at an issue price of \$0.02 per share. As part of the placement terms, the Company agreed to grant a total of 67,750,000 unquoted options over unissued new shares, with an exercise price of \$0.03 and with an expiry date of the third anniversary of the date of their grant.

The Company received commitments from Directors to convert up to \$900,000 in existing debt owing to those Directors into New Shares at the Issue Price.

The Company agreed to offer shareholders a Rights Issue (RI) to raise approx. \$1 million at \$0.02 per share. Peak Asset Management Pty Ltd has made a firm commitment to take up any shortfall (up to \$1million) from the proposed RI. The Company will grant 1 Option for every 2 shortfall shares (if any) issued to Peak under this arrangement.

No other matter or event has arisen since 31 December 2022 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 7 of this report.

Signed in accordance with a resolution of Directors.



Mark Johnson AO
Chairman
15 March 2023

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Dateline Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2022, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

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

DFK Laurence Varnay Auditors Pty Ltd



Faizal Ajmat
Director

Sydney, 15 March 2023

Local knowledge. National connections. Global reach.



DFK Laurence Varnay is a member of DFK International, a worldwide association of independent accounting firms and business advisers. Our DFK membership means that we can assist you with expanding your business overseas by networking with other member firms. You can have the essential combination of global reach and local knowledge. Liability Limited by a scheme approved under Professional Standards Legislation.

Level 12, 222 Pitt Street, Sydney NSW 2000

T +61 2 9264 5400

E audit@dfklv.com.au

W dfklv.com.au

DFK Laurence Varnay Auditors Pty Ltd
ABN 75 648 004 595

DATELINE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	<u>31-Dec-22</u>	<u>31-Dec-21</u>
		\$	\$
Continuing operations			
Revenue		423,797	-
Other Income		-	167,930
Mining & exploration expenditure		(3,776,899)	(697,929)
Employment expenses		(5,519,243)	(854,961)
Finance charges		(766,328)	(648,510)
Unrealised exchange gain / (loss)		(1,216,024)	(228,256)
Depreciation expense		(1,418,961)	(346,145)
Administration expenses	4	<u>(2,359,487)</u>	<u>(2,317,223)</u>
Loss from continuing operations before income tax		<u>(14,633,145)</u>	<u>(4,925,094)</u>
Income tax expense		-	-
Loss from continuing operations after income tax		<u>(14,633,145)</u>	<u>(4,925,094)</u>
Other comprehensive income/(loss)			
Foreign Currency Translation Reserve		<u>564,776</u>	<u>(184,826)</u>
Total comprehensive loss for the period		<u>(14,068,369)</u>	<u>(5,109,920)</u>
Loss for the period is attributable to:			
Owners of the Company		<u>(14,633,145)</u>	<u>(4,925,094)</u>
		<u>(14,633,145)</u>	<u>(4,925,094)</u>
Total comprehensive loss for the period attributable to:			
Owners of the Company		<u>(14,068,369)</u>	<u>(5,109,920)</u>
		<u>(14,068,369)</u>	<u>(5,109,920)</u>
		Cents	Cents
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share – cents per share	10	(2.63)	(1.15)

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 CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	31-Dec-22	30-Jun-22
		\$	\$
Current Assets			
Cash & cash equivalents		177,107	1,936,037
Trade & other receivables		86,985	36,659
Inventory		-	1,348,251
Financial assets		824,207	661,813
Total Current Assets		1,088,299	3,982,760
Non-Current Assets			
Plant & equipment land & buildings		18,297,611	18,122,570
Exploration & evaluation expenditure		15,291,393	15,457,451
Financial Assets		1,135,845	1,117,725
Right-of-use assets		2,173,177	3,018,444
Total Non-Current Assets		36,898,026	37,716,190
TOTAL ASSETS		37,986,325	41,698,950
Current Liabilities			
Trade & other payables	5	4,181,062	9,949,980
Financial liabilities to related parties	6	-	3,283,940
Short term loans	7	1,579,191	947,274
Lease liabilities		2,023,922	1,960,983
Total Current Liabilities		7,784,175	16,142,177
Non-Current Liabilities			
Trade & other payables	5	7,361,276	-
Financial liabilities to related parties	6	6,612,860	848,071
Long term loan	7	13,266,356	13,052,149
Lease liabilities		873,093	1,800,223
Total Non-Current Liabilities		28,113,585	15,700,443
TOTAL LIABILITIES		35,897,760	31,842,620
NET ASSETS		2,088,565	9,856,330
Equity attributable to the equity holders of the Company			
Contributed equity	8	53,287,454	46,986,850
Reserves	9	1,056,269	548,385
Accumulated losses		(52,255,158)	(37,678,905)
TOTAL EQUITY		2,088,565	9,856,330

The above Consolidated Statement of Financial Position

DATELINE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Issued Capital	Accumulated Losses	Option Valuation Reserve	Share Based Payments Reserve	Foreign Currency Reserve	TOTAL
	\$	\$	\$	\$	\$	\$
Balance as at 1 July, 2022	46,986,850	(37,678,905)	1,137,873	1,680,846	(2,270,334)	9,856,330
Total Loss	-	(14,633,145)	-	-	-	(14,633,145)
Total other comprehensive income	-	-	-	-	564,776	564,776
Total comprehensive Loss for the Period	-	(14,633,145)	-	-	564,776	(14,068,369)
<i>Transaction with owners in their capacity as owners</i>						
Options expired	-	56,892	(56,892)	-	-	-
Contributions of equity	6,300,604	-	-	-	-	6,300,604
Balance as at 31 December 2022	53,287,454	(52,255,158)	1,080,981	1,680,846	(1,705,558)	2,088,565

	Issued Capital	Accumulated Losses	Option Valuation Reserve	Share Based Payments Reserve	Foreign Currency Reserve	TOTAL
	\$	\$	\$	\$	\$	\$
Balance as at 1 July, 2021	36,942,050	(23,319,171)	270,161	1,302,939	(646,988)	14,548,991
Total Loss	-	(4,925,094)	-	-	-	(4,925,094)
Total other comprehensive loss	-	-	-	-	(184,826)	(184,826)
Total comprehensive Loss for the Period	-	(4,925,094)	-	-	(184,826)	(5,109,920)
<i>Transaction with owners in their capacity as owners</i>						
Options issued	-	-	328,859	-	-	328,859
Contributions of equity	4,959,808	-	-	-	-	4,959,808
Balance as at 31 December 2021	41,901,858	(28,244,265)	599,020	1,302,939	(831,814)	14,727,738

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 2022

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
	\$	\$
Cash flows used in operating activities		
Receipts from customers	423,797	-
Interest paid	(551,927)	-314,207
Payment to suppliers and employees	<u>(6,661,990)</u>	<u>(3,885,947)</u>
Net cash flows used in operating activities	<u>(6,790,120)</u>	<u>(4,200,154)</u>
Cash flows used in investing activities		
Deposits and loans made	665,610	(1,102,270)
Payment for fixed assets	(808,667)	(289,222)
Payment for exploration & evaluation expenditure	<u>(3,607,198)</u>	<u>(5,114,759)</u>
Net cash flows used in investing activities	<u>(3,750,255)</u>	<u>(6,506,251)</u>
Cash flows from/(used in) financing activities		
Transaction costs relating to shares	(533,804)	(300,194)
Proceeds from issue of shares	6,834,400	4,100,000
Advance of related party loans	<u>2,480,849</u>	<u>300,000</u>
Net cash flows from /(used in) financing activities	<u>8,781,445</u>	<u>4,099,806</u>
Net increase/(decrease) in cash and cash equivalents	(1,758,930)	(6,606,599)
Cash and cash equivalents at beginning of period	<u>1,936,037</u>	<u>7,092,069</u>
Cash and cash equivalents at end of period	<u><u>177,107</u></u>	<u><u>485,470</u></u>

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

1. CORPORATE INFORMATION

The financial report of Dateline Resources Limited (the "Company") covers the period from 1 July 2022 to 31 December 2022 (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 and California 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 15 March 2023.

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 2022 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 2022. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(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 \$14,633,145 (2021: \$4,925,094 loss) a net cash outflow of \$1,936,03 (2021: \$6,606,599 outflow) and net cash out flow from operations of \$6,790,120 (2021: \$4,200,154). As at 31 December 2022, the consolidated entity also had a deficiency in working capital of \$6,695,876 (June 2022 : \$12,159,417 deficiency in working capital) and cash assets of \$177,,107 (June 2022 : \$1,936,037).

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 Company has taken steps to ensure that it has adequate working capital to not only satisfy existing commitments but to also to meet future expenditure requirements. These include:

- The receipt in February 2023 of a funding term sheet for a US\$5,000,000 loan facility at 10.25% interest rate which is repayable over a 10 year period.
- In March 2023, the placement of 135,000,000 shares to raise \$2.71 million
- In March 2023, the announcement of a 1 for 12 Rights Issue to raise \$1.1 million

As a result of the above, the Company is able to execute its corporate strategy and the directors believe that the going concern basis for the preparation of the financial report of the Group is appropriate and that no material uncertainty exists that would alter this opinion. No adjustment has 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 Managing Director 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 2022					
Revenues	-	423,797	-	-	423,797
Segment Result	(2,019,705)	(12,617,822)	4,382	-	(14,633,145)
31 December 2021					
Revenues	-	-	-	-	-
Segment Result	(1,729,261)	(3,195,833)	-	-	(4,925,094)
31 December 2022					
Total Segment Assets	57,395,292	15,648,378	4,516,740	(39,574,085)	37,986,325
Total Segment Liabilities	16,787,178	20,194,120	5,268,877	(6,352,415)	35,897,760
30 June 2022					
Total Segment Assets	52,559,236	40,077,675	4,501,503	(55,439,464)	41,698,950
Total Segment Liabilities	16,232,028	32,446,335	5,257,672	(22,093,415)	31,842,620

DATELINE RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
	\$	\$
4. ADMINISTRATION EXPENSES		
Consulting and corporate expenses	1,098,186	1,062,550
Compliance and regulatory expenses	56,318	57,358
Other administration expenses	<u>1,204,983</u>	<u>1,197,315</u>
TOTAL ADMINISTRATION EXPENSES	<u><u>2,359,487</u></u>	<u><u>2,317,223</u></u>

	<u>31-Dec-22</u>	<u>30-Jun-22</u>
	\$	\$
5. TRADE & OTHER PAYABLES		
Current		
Trade and sundry creditors	4,013,922	2,598,527
Amount owed to the vendors of ALSH LLC	-	3,458,736
Amount owed to the vendors of CRG Mining LLC	-	3,458,738
Accruals	<u>167,140</u>	<u>433,979</u>
	<u><u>4,181,062</u></u>	<u><u>9,949,980</u></u>

Current trade and sundry creditors of \$4,013,922 are non-interest bearing and are usually settled on 30 day terms. The Company has negotiated informal standstill agreements with a number of creditors of CRG Mining LLC.

Non-Current

Amount owed to the vendors of ALSH LLC	3,680,638	-
Amount owed to the vendors of CRG Mining LLC	<u>3,680,638</u>	-
	<u><u>7,361,276</u></u>	<u><u>-</u></u>

The amount above of \$7,361,276 was arrived at after applying an annual discount rate of 10% to future payments which are all payable on 1 July 2024. During the period the settlement date was renegotiated with the vendors of CRG and ALSH.

6. FINANCIAL LIABILITIES TO RELATED PARTIES

Current

Loan - Mr. Mark Johnson	-	3,023,700
Convertible Notes - Mr. Mark Johnson	-	160,240
Loan - Mr Stephen Baghdadi	<u>-</u>	<u>100,000</u>
Total current loans from shareholders	<u><u>-</u></u>	<u><u>3,283,940</u></u>

Non-Current

Loan - Mr. Mark Johnson	5,686,300	-
Convertible Notes - Mr. Mark Johnson	<u>926,560</u>	<u>848,071</u>
Total non-current loans from shareholders	<u><u>6,612,860</u></u>	<u><u>848,071</u></u>

The amount owed to Mr. Johnson of \$5,686,300 (June 2022 \$3,023,700) represents unsecured loans including interest. Details of these loans are included in note 11. Interest of \$109,600 (Dec 2021 :

DATELINE RESOURCES LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF YEAR ENDED 31 DECEMBER 2022

\$51,797) was charged on the loans during the period. The loans are not repayable before January 1 2024.

	<u>31-Dec-22</u>	<u>30-Jun-22</u>
	\$	\$
7. LOANS		
Current		
Short term loans	1,321,150	615,069
Loan US Eagle Federal Credit Union	<u>258,041</u>	<u>332,205</u>
	<u>1,579,191</u>	<u>947,274</u>
Non-Current		
Loan US Eagle Federal Credit Union	13,948,948	13,819,608
Less : Capitalised Borrowing Expenses	(866,624)	(811,018)
Other Loans	<u>184,032</u>	<u>43,559</u>
	<u>13,266,356</u>	<u>13,052,149</u>

As announced to the market on 24 March 2021, the Company obtained a working capital facility of \$9,091,718 (US\$6,847,882). The loan has a maturity date of 23 March 2031. The first 3 years of the loan are interest only followed by principal and interest for the remainder of the term. The interest rate is 2.75% plus the US prime rate per annum (based on a 360-day year). The interest rate at 31 December 2022 was 10.25%. The facility is secured and ringfenced by the Gold Links project in Colorado USA. In January 2022 a further US\$3,000,000 was borrowed. This loan has a 10-year maturity date, interest and principal monthly repayments immediately. Interest is payable at 2.75% plus the US prime rate per annum.

All those facilities have been fully drawn down at balance date.

8. CONTRIBUTED EQUITY

(a) Share Capital

	Consolidated	
	<u>31-Dec-22</u>	<u>30-Jun-22</u>
Ordinary Capital		
Number of Shares	565,184,518	495,063,654
Paid Up	\$53,287,454	\$46,986,850

(b) Movements in Share Capital

		Consolidated	
		Number	
		of Shares	\$
01 Jul 2022	Opening Balance	495,063,654	46,986,850
02 Aug 2022	Issue of shares	666,666	4,406,750
30 Aug 2022	Issue of shares	44,067,500	1,163,250
13 Oct 2022	Issue of shares	22,282,500	1,065,000
01 Dec 2022	Issue of shares	3,104,198	199,408
	Share issue costs		(533,804)
	Closing Balance	<u>565,184,518</u>	<u>53,287,454</u>

9. RESERVES	Consolidated	
	31-Dec-22	30-Jun-22
	\$	\$
Foreign Currency Translation Reserve	(1,705,558)	(2,270,334)
Option Valuation Reserve	1,080,981	1,137,873
Share Based Payments Reserve	1,680,846	1,680,846
	<u>1,056,269</u>	<u>548,385</u>

Foreign Currency Translation Reserve

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

Option Valuation Reserve

6 million unlisted options valued at \$56,892 lapsed on 25 February, 2022. The option condition vested, however the options were not exercised

Share Based Payments Reserve

On 28 May 2021 (after receiving the approval of shareholders at a General Meeting on 21 May 2021), the Company did issue to related parties a total of 18,883,179 fully paid ordinary shares (Mr. Baghdadi: 16,420,156 and Mr. Lannen : 2,463,023). These shares were issued with the consideration payable by Mr. Baghdadi and Mr. Lannen for the shares funded by an interest free and limited recourse loan advanced by the Company. Under AASB2, the issuance of these shares is treated as share-based payments, the cost of these were independently valued (using an option pricing model) at \$1,302,939 and are recorded in the Share Based Payments Reserve.

7,000,000 unlisted options recognised in the share-based reserve at \$357,161 were issued on 30 July 2021

On 30 July 2021 7,000,000 options were issued to PAC Partners. The assessed fair value at grant date of options issued was \$357,161. The fair value at grant date is determined using the Black Scholes Model.

The model inputs for the options granted included:

- (a) Exercise price: \$0.135
- (b) Grant date: 30 July 2021
- (c) Expiry date: 30 July 2023
- (d) Share price at grant date: \$0.09
- (e) Expected price volatility of the Company's shares: 130%
- (f) Risk-free interest rate 0.02%

On 14 July 2021 the Company issued to two employees 400,000 and 200,000 fully paid ordinary shares. These shares were issued with the consideration payable by the employees for the shares funded by interest free and limited recourse loans of \$40,000 and \$20,000 advanced by the Company, secured against the 400,000 and 200,000 ordinary shares respectively. Under AASB2, the issuance of these shares is treated as share-based payments, the cost of these were independently valued (using an option pricing model) at \$20,746 and are recorded in the Share Based Payments Reserve.

10. EARNINGS PER SHARE

	Consolidated	
	Six Months ended 31-Dec-22	Six Months ended 31-Dec-21
Basic and diluted loss per share	(2.63)	(1.15)
Net loss used to calculate earnings loss per share	(\$14,633,145)	(\$4,925,094)
Weighted average number of ordinary shares	535,360,990	427,673,832

11. RELATED PARTY DISCLOSURES

CONVERTIBLE NOTES

At a General Meeting of the Company's shareholders held on 21 May 2021, it was approved that the Company issue to Mr. Mark Johnson 3,853,552 unsecured Convertible Notes in accordance with the convertible note subscription agreement entered into by the Company on 20 April 2021.

The consideration for the issuance of these Convertible Notes is the cancellation/extinguishment by Mr Johnson's of all amounts owing by the Company to Mr Johnson (or his nominee) immediately after the completion of a debt novation agreement which was also presented to and passed by shareholders at the same General Meeting.

The Convertible Note Agreement approved by shareholders at the above meeting, provides for interest to be capitalised annually at a rate of 5% per annum.

LOANS FROM DIRECTOR MR.MARK JOHNSON

As at 31 December 2022 there were loans outstanding from related party Mr. Mark Johnson as depicted in the table below:

LOANS FROM MARK JOHNSON AS AT 31 DECEMBER 2023				
Loan Date	Principal	Interest	Loan Outstanding	Interest Rate
31 Dec 2021	\$ 300,000	\$ 15,041	\$ 315,041	5%
28 Apr 2022	\$ 1,000,000	\$ 33,973	\$ 1,033,973	5%
20 May 2022	\$ 700,000	\$ 21,671	\$ 721,671	5%
03 Jun 2022	\$ 1,000,000	\$ 29,041	\$ 1,029,041	5%
01 Nov 2022	\$ 1,250,000	\$ 20,890	\$ 1,270,890	10%
17 Nov 2022	\$ 500,000	\$ 6,164	\$ 506,164	10%
23 Nov 2022	\$ 300,000	\$ 3,205	\$ 303,205	10%
02 Dec 2022	\$ 75,000	\$ 616	\$ 75,616	10%
09 Dec 2022	\$ 428,000	\$ 2,697	\$ 430,697	10%
TOTAL	\$ 5,553,000	\$ 133,300	\$ 5,686,300	

12. DIVIDEND

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

13. COMMITMENTS

(a) Operating Commitments

	<u>31-Dec-22</u>	<u>30-Jun-22</u>
	\$	\$
Within one year	1,506,929	1,506,929
After one year but not more than five years	<u>407,163</u>	<u>407,163</u>
Total minimum commitment	<u><u>1,914,092</u></u>	<u><u>1,914,092</u></u>

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

(b) Exploration and Evaluation Commitments

There were no exploration and evaluation commitments as at 31 December 2022

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 1 July 2024 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 1 July 2024 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 undertaken 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.

Colosseum Gold Mine

In March 2021, the Company entered into an agreement with LAC Minerals (USA) LLC, a wholly owned subsidiary of Barrick Gold Corporation to acquire the Colosseum Gold Mine, located in San Bernadino County, California. Colosseum was originally discovered in the early 1970's, with production of ~344,000 ounces of gold between 1988 and 1993 from two open pits. At the time of closure, the gold price was at a cyclical low below \$350/oz. No exploration has been undertaken at the site over the past 25 years.

In October 2021 Dateline announced that all outstanding conditions precedent for the completion of the acquisition had been fulfilled. As part of the transaction, Dateline has provided US\$770,000 in reclamation bonds to replace the Barrick bonds with the relevant authorities. At this time the Company cannot reliably estimate the cost or timing of any remediation expenditure that may be required.

As part of the acquisition a further payment of US\$1,500,000 to Barrick will be payable following successful completion of a bankable feasibility study or commencement of site development for the extraction of ore or sale of the properties. Barrick is also entitled to a 2.5% Net Smelter Return royalty of all future production of any metals from the mine.

Litigation

The Gold Links mining contractor has commenced legal action against the Company for US\$850k, whilst the Company is claiming a similar amount pursuant to our rights under the mining contract.

In October 2022, PAC Partners filed a claim against the company for breach of mandate and advisory agreement in relation to the capital raise undertaken by the Company in June 2022. The Company strongly denies there has been a breach and is defending the claims. The matter is listed for hearing in October 2023.

There were no changes to contingent liabilities since 30 June 2022.

15. SIGNIFICANT MATTERS AFTER BALANCE DATE

On 3 February 2023, the Company received a funding term sheet for US\$5 million from its US bankers Madison One Cuso to be used at the Gold Links in Colorado USA. Funding is subject to an 80% guarantee from the United States Department of Agriculture. Interest for the funds is 10.25% with a term of 10 years.

On 2 March 2023, the Company announced that it had received firm commitments to raise \$2.71 million pursuant to a placement of 135,000,000 new shares in the Company at an issue price of \$0.02 per share. As part of the placement terms, the Company agreed to grant a total of 67,750,000 unquoted options over unissued new shares, with an exercise price of \$0.03 and with an expiry date of the third anniversary of the date of their grant.

The Company received commitments from Directors to convert up to \$900,000 in existing debt owing to those Directors into New Shares at the Issue Price.

The Company agreed to offer shareholders a Rights Issue (**RI**) to raise approx. \$1 million at \$0.02 per share. Peak Asset Management Pty Ltd has made a firm commitment to take up any shortfall (up to \$1million) from the proposed RI. The Company will grant 1 Option for every 2 shortfall shares (if any) issued to Peak under this arrangement.

No other matter or event has arisen since 31 December 2022 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.

DATELINE RESOURCES LIMITED
DIRECTORS DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

In the Directors' opinion:

- (a) The financial statements and notes of the Company and its controlled entities are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the financial position as at 31 December 2022 and the performance for the period 1 July 2022 to 31 December 2022 of the Company and its controlled entities.
 - (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 and its controlled entities 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
15 March 2023

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

Report on the Consolidated Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Dateline Resources Limited ("the company"), which comprises the consolidated statement of financial position as at 31 December 2022, 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, a summary of significant accounting policies and other explanatory information, 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.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Regarding Going Concern

We draw attention to Note 2(b) in the financial report, which indicates that the company incurred a net loss of \$14,633,145 during the period ended 31 December 2022 and, as of that date, the current liabilities exceeded its current assets by \$6,695,876. As stated in Note 2(b), these events or conditions, along with other matters as set forth in Note 2(b), indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the 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 for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2022 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*.

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.

DFK Laurence Varnay Auditors Pty Ltd



Faizal Ajmat
Director

Sydney, 15 March 2023

Local knowledge. National connections. Global reach.



DFK Laurence Varnay is a member of DFK International, a worldwide association of independent accounting firms and business advisers. Our DFK membership means that we can assist you with expanding your business overseas by networking with other member firms. You can have the essential combination of global reach and local knowledge. Liability Limited by a scheme approved under Professional Standards Legislation.

Level 12, 222 Pitt Street, Sydney NSW 2000

T +61 2 9264 5400

E audit@dfklv.com.au

W dfklv.com.au

DFK Laurence Varnay Auditors Pty Ltd
ABN 75 648 004 595