



DATELINE RESOURCES LIMITED

ACN 149 105 653

OFFER BOOKLET

Renounceable Rights Issue

A 10-for-1 renounceable rights issue by Dateline Resources Limited ACN 149 105 653 to raise up to approximately \$14.5 million (before costs). The Rights Issue is partially underwritten.

Last date for acceptance and payment

5pm (Sydney time) on Thursday, 31 January 2019

This is an important document and requires your immediate attention. This document and the accompanying Entitlement and Acceptance Form should be read in their entirety. If you are in any doubt about what to do, you should consult your professional adviser without delay.

30 November 2018

Dear Shareholder

RENOUNCEABLE RIGHTS ISSUE

The directors (**Directors**) of Dateline Resources Limited ACN 149 105 653 (**Company**) are pleased to offer you the opportunity to participate in a partially underwritten 10-for-1 pro rata renounceable rights issue as set out in this Offer Booklet.

The offer is available to all Shareholders who are, as at 7pm (Sydney time) on Wednesday, 5 December 2018 (**Record Date**), registered (in accordance with the records of the Company's share registry) with a registered address in Australia or New Zealand¹ (**Eligible Shareholders**).

1. Introduction

1.1 Key Details

As announced on Friday, 30 November 2018, the Company invites all Eligible Shareholders to participate in a partially underwritten renounceable rights issue on the basis of 10 new fully paid ordinary shares in the Company (each, a **New Share**) for every 1 existing share in the Company (each, a **Share**) held at an issue price of \$0.002 per New Share (**Issue Price**) (**Rights Issue**). Under the Rights Issue, the Company is seeking to raise up to approximately \$14.5 million² (before costs).

The Issue Price represents an [80]% discount to the last trading price of the Company's Shares on ASX on Thursday, 29 November 2018 (i.e. the trading day immediately before the Company announced the Rights Issue) and a discount of approximately [26.7]% to the theoretical ex-rights price³ of \$[0.0027] per Share.

Under the Rights Issue, Eligible Shareholders may also apply for Additional New Shares (i.e. New Shares in excess of their Entitlement). The allocation of Additional New Shares and any scale back will be subject to the availability of Additional New Shares and in the Company's absolute discretion⁴.

¹ The Company has also decided to extend the Rights Issue to shareholders based in Singapore who qualify as "institutional investors" as defined in the Securities and Futures Act of Singapore.

² Approximately \$6.2 million of the up to approximately \$14.5 million which the Company is seeking under the Rights Issue is "effectively" being contributed by the Company's 2 largest Shareholders pursuant to the "debt-for-equity" swap arrangements disclosed throughout this Offer Booklet.

³ The theoretical ex-rights price (**TERP**) is a theoretical weighted average price at which Shares should trade immediately after the "ex" date of the Rights Issue. The TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the "ex" date for the Rights Issue will depend on a number of factors and may not be equal to TERP.

⁴ Please note that Additional New Shares will only be allocated to you if there are sufficient New Shares from Eligible Shareholders who do not take up their full Entitlement or from New Shares that would have been offered to Ineligible Shareholders had they been eligible to participate in the Rights Issue.

The Rights Issue, when combined with the debt reduction arrangements agreed with the Company's 2 largest Shareholders and creditors (being Southern Cross Exploration N.L. (**SXX**) and Mr Mark Johnson⁵, the Company's Chairman), is expected to transform the Company's balance sheet and provide it with the financial resources necessary to pursue an exploration program with a near term production opportunity at its 100% owned gold projects in Colorado, USA (in each case, further details of which are set out in the Company's investor presentation given to ASX on 30 November 2018).

As noted above, the gross proceeds of the Rights Issue will be used by the Company to:

- continue the exploration and development of the Company's Gold Links Project in Colorado, USA;
- substantially reduce⁶ the Company's current outstanding indebtedness (which primarily consists of the Shareholder loans referred to throughout this Offer Booklet),
- provide additional working capital;

and to pay the costs of the Rights Issue.

As noted above and elsewhere in this Offer Booklet, the Company's 2 largest Shareholders and creditors (being SXX and non-executive Chairman Mr Mark Johnson) have agreed to subscribe for their full Entitlement (at the Issue Price and on the same 10-for-1 Rights Issue ratio) by setting-off a proportion of the amount owed to each of them with the amount that each of them would have otherwise had to pay were they subscribing for their New Shares in cash⁷.

Entitlements are renounceable and will be tradeable on ASX or transferrable to third-parties. This provides Eligible Shareholders with the potential opportunity to sell some or all of their Entitlements. Trading of Entitlements is expected to start on ASX on Tuesday, 4 December 2018 and to conclude on the close of trading on Wednesday, 23 January 2019. The ASX code for the Entitlements is expected to be "DTRR".

It is the responsibility of purchasers of Entitlements (regardless of whether they purchase them on ASX or via off-market transfers) to satisfy themselves of their eligibility to subscribe for New Shares under the Rights Issue. In the event that holders do not take up their Entitlements, those Entitlements may be sold by a broker (nominated by the Company) in a sale process with the proceeds of that sale, if any, remitted to you (less costs).

⁵ Mr Johnson has also agreed to subscribe for up to \$500,000 worth of New Shares which are not subscribed for by Eligible Shareholders by the Closing Date (with any such remaining New Shares referred to as the **Shortfall**). On completion of the Rights Issue, the total amount owed (by the Company) to Mr Johnson will be \$984,239. This remaining amount will then be converted into a 24 month term loan. As disclosed above, any Shortfall of up to \$500,000 worth of New Shares will be subscribed for by Mr Johnson at the Issue Price. If applicable, Mr Johnson will provide these new funds to the Company on or before the settlement date for the Rights Issue.

⁶ On completion of the Rights Issue, the total amount owed (by the Company) to SXX will be \$353,987. This remaining amount will then be converted into a 24 month term loan.

⁷ It is important to note that in repaying a substantial proportion of the Shareholder loans owed to SXX and Mr Johnson, the Company will not be issuing either of SXX or Mr Johnson with more New Shares than any of their pro rata Entitlements would allow.

As noted above, Mr Mark Johnson has agreed to partially underwrite the Rights Issue by committing to subscribe for up to \$500,000⁸ worth of any Shortfall. Furthermore, the Company's new Chief Executive Officer, Mr Glenn Dovaston, the Company's former Chief Executive Officer, Mr Stephen Baghdadi and the Company's current non-executive Director Mr Greg Hall have together also agreed to partially underwrite the Rights Issue by committing to subscribe for up to \$512,376.12 worth of any Shortfall⁹. These amounts (which total \$1,012,367.12 (i.e. including Mr Johnson's \$500,000 commitment) when combined with the commitment from SXX and Mr Johnson to apply for their full Entitlement (by way of the "debt-for-equity" swap referred to throughout this Offer Booklet) means that a total of approximately \$7.24 million of the approximately \$14.5 Rights Issue is effectively underwritten.

The pro forma consolidated balance sheet in Section 2.4 illustrates the effect of the Rights Issue on the financial position of the Company.

1.2 Rights Issue pursuant to section 708AA of the Corporations Act

The Rights Issue is being conducted by the Company in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**), without the issue of a prospectus or disclosure document under Chapter 6D of the Corporations Act. Accordingly, this Offer Booklet is not a prospectus, disclosure document or other offering document under the Corporations Act (or any other Australian or foreign law) and has not been (and will not be) lodged with the Australian Securities and Investments Commission (**ASIC**).

The Company is a disclosing entity for the purpose of section 111AC of the Corporations Act and as such it is subject to regular reporting and disclosure obligations under section 674 of the Corporations Act and the ASX Listing Rules (**Listing Rules**). These obligations require the Company to notify ASX Limited (**ASX**) of information about specified events and matters as they arise for the purpose of ASX making that information available to the financial market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately once it is or becomes aware of any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

For the Company to rely on the disclosure exemption in section 708AA of the Corporations Act, the Company is required to lodge a "cleansing notice" under section 708AA(2)(f) of the Corporations Act. That notice is required to:

- (a) set out any information that has been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

⁸ This \$500,000 underwriting commitment is in the form of new cash.

⁹ Mr Dovaston has agreed to commit to \$250,000 in new cash. Mr Baghdadi and Mr Hall have agreed to commit \$162,376.12 and \$100,000, respectively.

1.3 Timetable

The Rights Issue is being conducted in accordance with the following timetable:

Event	Date
Announcement of Rights Issue and lodgement of Appendix 3B and cleansing notice with ASX	Friday, 30 November 2018
"Ex" date (date from which Shares start trading without an Entitlement)	Tuesday, 4 December 2018
Trading in Entitlements on ASX starts	Tuesday, 4 December 2018
Record date for the Rights Issue (Record Date)	7pm on Wednesday, 5 December 2018
Despatch of Offer Booklet and Entitlement and Acceptance Forms	Monday, 10 December 2018
Rights Issue opens	Tuesday, 11 December 2018
Trading in Entitlements on ASX ends	Wednesday, 23 January 2019
Trading in New Shares (on a deferred settlement basis) starts	Thursday, 24 January 2019
Rights Issue closes (Closing Date)	5pm on Thursday, 31 January 2019
Announcement of shortfall (if any) under the Rights Issue	Tuesday, 5 February 2019
Issue of New Shares under the Rights Issue	Thursday, 7 February 2019
Trading of New Shares (on a normal settlement basis) starts	Friday, 8 February 2019

Note: Times and dates shown above are indicative only and subject to change. All times and dates refer to Sydney time. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to vary the dates of the Rights Issue without prior notice, including by extending the Rights Issue or accepting late applications, either generally or in particular cases, or to withdraw the Rights Issue. The commencement of quotation of New Shares is subject to confirmation from ASX. References in the Rights Issue timetable to "New Shares" includes a reference to "Additional New Shares" if the context requires.

2. Details of the Rights Issue

2.1 The Rights Issue

The Company is conducting a partially underwritten¹⁰ pro rata renounceable offer to Eligible Shareholders to subscribe for 10 New Shares at the Issue Price per New Share for every Share held at the Record Date. Fractional entitlements to New Shares will be rounded up to the nearest whole New Share.

Your precise entitlement to New Shares under the Rights Issue (**Entitlement**) is shown on your personalised Entitlement and Acceptance Form. Details on how to accept your Entitlement (or part of it) are set out in Section 3. This Offer Booklet will be mailed to Eligible Shareholders on or about Monday, 10 December 2018 together with a personalised Entitlement and Acceptance Form.

Eligible Shareholders may also apply for Additional New Shares in excess of their Entitlement. Additional New Shares will only be allocated to you if there are sufficient New Shares from Eligible Shareholders who do not take up their Entitlement in full together with any New Shares that would have been offered to Ineligible Shareholders had they been eligible to participate in the Rights Issue, subject to any scale back that the Company might apply (in its absolute discretion¹¹). Accordingly, if you apply for Additional New Shares, there is no guarantee you will be allocated with any. You should note that if you do not take up all of your Entitlement, then your percentage holding in the Company will be diluted.

2.2 Size of the Rights Issue

The maximum total number of New Shares that may be issued under the Rights Issue will be approximately 7.24 billion (noting that the exact number will depend on the level of New Shares applied for by Eligible Shareholders, the rounding of individual holdings and whether any option holders exercise their options for the issue of Shares prior to the Record Date). The table below sets out, for illustrative purposes only, the expected impact of the Rights Issue on the Company's capital structure:

Shares	Number
Existing Shares as at Friday, 30 November 2018	724,495,810
Maximum number of New Shares that could be issued under the Rights Issue	7,244,958,100
Maximum number of Shares that could be on issue following completion of the Rights Issue	7,969,453,910

Note: The above table assumes that none of the Company's unquoted options are exercised before the Record Date. The Company has on issue 45,000,000 unlisted options (i.e. 35,000,000 with an exercise price of \$0.04 per option and an expiry date of 31 October 2019 and 10,000,000 with an exercise price of \$0.025 per option and an expiry date of 31 December 2020). Although highly unlikely, if any of these unquoted options are exercised before the Record Date, the number of Shares on issue will increase and the number of New Shares that will be issued under the Rights Issue will also increase.

¹⁰ \$1,012,367.12 (or \$7,243,866.58 when the "debt-for-equity" swap arrangements with SXX and Mr Johnson are included) of the Rights Issue is underwritten.

¹¹ The Company intends to allocate the Shortfall (if any) in the following manner: (i) firstly, pro rata to Eligible Shareholders who apply for Additional New Shares, (ii) secondly, to any third-party sophisticated or professional investors who approach the Company and apply for New Shares and (iii) thirdly (and pro rata to the size of their underwriting commitment), to Mr Johnson, Mr Dovaston, Mr Baghdadi and Mr Hall.

2.3 Use of funds of the Rights Issue

The Company is seeking up to approximately \$14.5 million (before fees and costs) under of the Rights Issue. These gross proceeds (along with a comparison (noted in the second column below) should the Company's Shareholders only apply for half of their Entitlement) will be used as follows:

Use	Amount (50%)	Amount (100%)
Reduce the Company's indebtedness to SXX	\$4,800,300	\$4,800,300
Reduce the Company's indebtedness to Mr Johnson	\$1,431,190	\$1,431,190
Eliminate the Company's remaining indebtedness	\$488,475	\$488,475
Continue the exploration and development of the Gold Links Project	\$1,300,000	\$7,400,000
General working capital	\$237,360	\$369,951
Total	<u>\$8,257,325</u>	<u>\$14,489,916</u>

2.4 Pro Forma Balance Sheet

Set out below is the Company's (i) statement of financial position as at 30 June 2018 (audited) and (ii) pro forma statement of financial position as at 30 June 2018 (unaudited), giving effect to Rights Issue as though this transaction (including the reduction of debt disclosed above) had occurred as at 30 June 2018 (**Pro Forma Balance Sheet**).

The Pro Forma Balance Sheet is presented in an abbreviated form and does not contain all the disclosures that are usually provided in DTR's annual report (**Annual Report**) (which is prepared in accordance with the accounting standards) and therefore cannot be expected to provide as full an understanding of the Company's financial position as a statement of financial position in the Annual Report would¹².

The financial information "as at" 30 June 2018 has been derived from the Annual Report given to ASX on 28 September 2018.

The Pro Forma Balance Sheet has not been audited, has been prepared for illustrative purposes only and gives effect to the following transactions as if they had occurred on 30 June 2018 (i) the issuance of 7,244,958,100 New Shares at the Issue Price (thereby raising gross proceeds of up to approximately \$14.5 million¹³) and (ii) the repayment of \$6,719,965 worth of indebtedness.

¹² The Pro Forma Balance Sheets are indicative only and are not intended to be a statement of the Company's current financial position.

¹³ As set out in the second pro forma balance sheet, the Company has also performed the same analysis on the assumption that it issues approximately 4,325,328,353 New Shares (i.e. it only raises approximately \$8.65 million (which amount is comprised of the (i) "debt-for-equity" swap arrangements agreed with SXX and Mr Johnson (ii) the \$1,012,376.12 committed by Mr Johnson, Mr Dovaston, Mr Baghdadi and Mr Hall and (iii) cash received from Shareholders who (in aggregate) take up only half (i.e. 50%) of their Entitlement)) under the Rights Issue. In this scenario, the Company will still pay off approximately \$6,719,965 worth of indebtedness.

Pro-Forma Balance Sheet 1. 100% Acceptance	30-Jun-18	Rights Issue	Adjusted
	\$	\$	\$
Current Assets			
Cash & cash equivalents	362,679	7,769,951	8,132,630
Trade & other receivables	19,434	-	19,434
Financial Assets	26,188	-	26,188
Total Current Assets	408,301	7,769,951	8,178,252
Non-Current Assets			
Plant & equipment land & buildings	12,318,747	-	12,318,747
Exploration & evaluation expenditure	6,305,886	2,340,266	8,646,152
Total Non-Current Assets	18,624,633	2,340,266	20,964,899
TOTAL ASSETS	19,032,934	10,110,217	29,143,151
Current Liabilities			
Trade & other payables	403,475	(403,475)	-
Loans from Related Parties	5,054,420	(5,054,420)	-
Total Current Liabilities	5,457,895	(5,457,895)	-
Non-Current Liabilities			
Trade & other payables	4,406,128	1,338,226	5,744,354
Total Non-Current Liabilities	4,406,128	1,338,226	5,744,354
TOTAL LIABILITIES	9,864,023	(4,119,669)	5,744,354
NET ASSETS	9,168,911	14,229,886	23,398,797
Equity			
Contributed equity	19,528,784	14,765,746	34,294,530
Reserves	115,745	-	115,745
Share & options to be issued	275,830	(275,830)	-
Accumulated losses	(10,751,448)	(260,030)	(11,011,478)
TOTAL EQUITY	9,168,911	14,229,886	23,398,797

Pro-Forma Balance Sheet 2. 50% Acceptance	30-Jun-18	Rights Issue	Adjusted
	\$	\$	\$
Current Assets			
Cash & cash equivalents	362,679	1,537,360	1,900,039
Trade & other receivables	19,434	-	19,434
Financial Assets	26,188	-	26,188
Total Current Assets	408,301	1,537,360	1,945,661
Non-Current Assets			
Plant & equipment land & buildings	12,318,747	-	12,318,747
Exploration & evaluation expenditure	6,305,886	2,340,266	8,646,152
Total Non-Current Assets	18,624,633	2,340,266	20,964,899
TOTAL ASSETS	19,032,934	3,877,626	22,910,560
Current Liabilities			
Trade & other payables	403,475	(403,475)	-
Loans from Related Parties	5,054,420	(3,716,194)	1,338,226
Total Current Liabilities	5,457,895	(4,119,669)	1,338,226
Non-Current Liabilities			
Trade & other payables	4,406,128	-	4,406,128
Total Non-Current Liabilities	4,406,128	-	4,406,128
TOTAL LIABILITIES	9,864,023	(4,119,669)	5,744,354
NET ASSETS	9,168,911	7,997,295	17,166,206
Equity			
Contributed equity	19,528,784	8,533,155	28,061,939
Reserves	115,745	-	115,745
Share & options to be issued	275,830	(275,830)	-
Accumulated losses	(10,751,448)	(260,030)	(11,011,478)
TOTAL EQUITY	9,168,911	7,997,295	17,166,206

2.5 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application under your Entitlement and Acceptance Form once it has been received by the Company.

2.6 Potential effect on control

Given the discounted Issue Price, the relatively small number of large Shareholders, the fact that the Rights Issue is partially underwritten and because Eligible Shareholders are able to apply for Additional New Shares, the Company does not expect that the Rights Issue will have an adverse effect on the control of the Company. Furthermore, Eligible Shareholders who take up their Entitlements in full will not have their interest in the Company diluted by the Rights Issue¹⁴ (subject to immaterial movements which may arise as a result of the rounding of Entitlements).

The Company notes however that Mr Mark Johnson (the Company's Chairman) has, in addition to his decision to "swap" a proportion of the total amount owed to him by the Company for New Shares, committed to apply for up to \$500,000 worth of New Shares in the event of a Shortfall¹⁵.

The table below sets out each of the Company's substantial Shareholders' (i.e. those Shareholders who hold at least 5% of the Shares) relevant interests in Shares and also their expected relevant interest in Shares following completion of the Rights Issue (assuming that there is no Shortfall (i.e. all Eligible Shareholders apply for their full Entitlement under the Rights Issue)):

Name of Substantial holder	Shares held before Rights Issue	Percentage of Shares	New Shares	Shares held after Rights Issue	Percentage of Shares after Rights Issue
Southern Cross Exploration N.L.	240,015,002	33.13%	2,400,150,020	2,640,165,022	33.13%
Mark Johnson (Director)	71,559,521	9.88%	715,595,210	787,154,731	9.88%
Red Star developments Pte Ltd	60,944,569	8.41%	609,445,690	670,390,259	8.41%
Mr K.D.Vinci	60,000,000	8.28%	600,000,000	660,000,000	8.28%
All other existing Shareholders	291,976,718	40.30%	2,919,767,180	3,211,743,898	40.30%

Note: In repaying a portion of the outstanding Shareholder loans, the Company will not be issuing either SXX or Mark Johnson with more New Shares than either of their pro rata Entitlements would allow.

¹⁴ However, if an Eligible Shareholder does not take up all of their Entitlement, then the interests of that Eligible Shareholder will be diluted. The relevant interests of Ineligible Shareholders will also be diluted as such persons are not eligible to participate in the Rights Issue.

¹⁵ The Company intends to allocate the Shortfall (if any) in the following manner: (i) firstly, pro rata to Eligible Shareholders who apply for Additional New Shares, (ii) secondly, to any third-party sophisticated or professional investors who approach the Company and apply for New Shares and (iii) thirdly (and pro rata to the size of their underwriting commitment), to Mr Johnson, Mr Dovaston, Mr Baghdadi and Mr Hall.

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

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

- (a) If an Eligible Shareholder does not take up all of their Entitlement, then the interest of that Eligible Shareholder will be diluted.
- (b) The proportionate interests of Shareholders with registered addresses outside of Australia, New Zealand or Singapore will be diluted because such Shareholders are not entitled to participate in the Rights Issue.
- (c) If no Eligible Shareholders (other than SXX, Mark Johnson, Greg Hall and Stephen Baghdadi (each of whom will participate in the Rights Issue to the extent shown below)) participate in the Rights Issue and therefore Mr Johnson, Mr Dovaston, Mr Baghdadi and Mr Hall are required to subscribe for their total underwritten commitment (the quantum of which is as set out in Section 1.1 above), then the expected relevant interests of the Company's substantial holders and Directors on completion of the Rights Issue is expected to be as follows:

Name of Substantial holder	Shares held before Rights Issue	Percentage of Shares	New Shares	Shares held after Rights Issue	Percentage of Shares after Rights Issue
Southern Cross Exploration N.L.	240,015,002	33.13%	2,400,150,020	2,640,165,022	60.74%
Mark Johnson (Director)	71,559,521	9.88%	965,595,210	1,037,154,731	23.86%
Red Star Developments Pte Ltd	60,944,569	8.41%	0	60,944,569	1.40%
Mr K.D.Vinci	60,000,000	8.28%	0	60,000,000	1.38%
Greg Hall (Director)	9,999,887	1.38%	50,000,000	59,999,887	1.38%
Stephen Baghdadi (Director)	618,806	0.09%	81,188,060	81,806,866	1.88%
Other existing Shareholders	281,358,025	38.84%	0	281,358,025	6.47%
Glenn Dovaston	0	0.00%	125,000,000	125,000,000	2.88%

Note: The number of New Shares issued to Mr Mark Johnson noted in the table above (i.e. in the scenario where he is required to subscribe for his full underwriting commitment of \$500,000 worth of New Shares) also includes the New Shares that he will receive in consideration for the "debt-for-equity" swap arrangements referred to elsewhere in this Offer Booklet. Furthermore, and in addition to the assumption that Mr Johnson's \$500,000 underwriting commitment is utilised in full, the calculations and percentages noted above assume that the Company did not (or was unable to) issue the remaining New Shares that were not subscribed for by Eligible Shareholders (other than the Directors, the CEO, SXX and Mr Johnson as noted in the table above). In such circumstances the Company will be required to issue a total of 3,621,933,290 New Shares resulting in it having 4,346,429,100 Shares on issue on completion of the Rights Issue (rather than the 7,969,453,910 Shares that would be on issue were all Eligible Shareholders to subscribe for their full Entitlement).

- (d) If Eligible Shareholders (other than SXX, Mark Johnson, Greg Hall and Stephen Baghdadi (each of whom will participate in the Rights Issue to the extent shown below) and Red Star Developments Pte Ltd and Mr K. D. Vinci (both of whom are assumed not to be applying for any New Shares under the Rights Issue)) subscribe for half (i.e. 50%) of their Entitlement and therefore Mr Johnson, Mr Dovaston, Mr Baghdadi and Mr Hall are required to subscribe for their total underwriting commitment (the quantum of which is as set out in Section 1.1 above), then the expected relevant interests of the Company's substantial holders and Directors on completion of the Rights Issue is expected to be as follows:

Name of Substantial holder	Shares held before Rights Issue	Percentage of Shares	New Shares	Shares held after Rights Issue	Percentage of Shares after Rights Issue
Southern Cross Exploration N.L.	240,015,002	33.13%	2,400,150,020	2,640,165,022	45.89%
Mark Johnson (Director)	71,559,521	9.88%	965,595,210	1,037,154,731	18.03%
Red Star Developments Pte Ltd¹⁶	60,944,569	8.41%	0	60,944,569	1.06%
Mr K.D.Vinci¹⁷	60,000,000	8.28%	0	60,000,000	1.04%
Greg Hall (Director)	9,999,887	1.38%	50,000,000	59,999,887	1.04%
Stephen Baghdadi (Director)	618,806	0.09%	81,188,060	81,806,866	1.42%
Other existing Shareholders	281,358,025	38.84%	1,406,790,125	1,688,148,150	29.35%
Glenn Dovaston	0	0.00%	125,000,000	125,000,000	2.17%

Note: The calculations and percentages noted above assume that Mr Johnson's \$500,000 underwriting commitment is utilised in full and that the Company did not (or was unable to) issue the remaining New Shares that were not subscribed for by Eligible Shareholders (other than the Directors and substantial holders noted in the table above). In such circumstances, the Company will be required to issue a total of 5,028,723,415 New Shares resulting in it having 5,753,219,225 Shares on issue on completion of the Rights Issue (rather than the 7,969,453,910 Shares that would be on issue were all Eligible Shareholders to subscribe for their full Entitlement).

The Directors will not offer any Shortfall to Eligible Shareholders or new investors if doing so would result in any of those persons having voting power of 20% or more in the Company.

¹⁶ It is not known whether Red Star Developments Pte Ltd will apply for its Entitlement (noting that the second and third scenarios referred to above assume that it will not apply for its Entitlement). However, should Red Star Developments Pte Ltd apply for all (or part) of its Entitlement, the above referred issuances and percentages will change accordingly.

¹⁷ It is not known whether Mr Vinci will apply for his Entitlement (noting that the second and third scenarios referred to above assume that he will not apply for its Entitlement). However, should Mr Vinci apply for all (or part) of his Entitlement, the above referred issuances and percentages will change accordingly.

2.7 ASX quotation of New Shares

The Company has made an application to ASX for the New Shares to be granted quotation on ASX. If that permission is not granted by ASX, the Company will not issue any New Shares and all Application Monies received will be refunded (without interest) in full to the applicants. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares. Neither ASX nor ASIC takes any responsibility for the content of this Offer Booklet.

It is expected that trading of the New Shares will, subject to ASX approval, occur on or about the date specified in the timetable in Section 1.3.

2.8 Issue of New Shares

Subject to the New Shares being granted quotation on ASX it is expected that New Shares will be issued on Thursday, 7 February 2019 and that updated holding statements for the New Shares will be despatched on or after Friday, 8 February 2019.

Confirmation of issue is expected to be sent in accordance with the Listing Rules. It is the responsibility of each Applicant to confirm their holding before trading in New Shares, Additional New Shares (if applicable to you) and Entitlements. Any Applicant who sells any such securities before receiving their confirmation of issue will do so at their own risk. The Company and the Registry disclaim all liability, in tort (including negligence), statute or otherwise, to any person who trades in their new securities before receiving their confirmation of issue, whether on the basis of a confirmation of issue provided by the Company, the Registry or otherwise.

2.9 Eligible Shareholders

The Rights Issue is being made to all Eligible Shareholders who are, as at 7pm (Sydney time) on the Record Date, registered (in accordance with the records of the Company's share registry, Security Transfer Australia Pty Ltd (**Share Registry**)) with a registered address in Australia, New Zealand or (but only to the extent that they qualify as an "institutional investor" under the SFA (defined below)), Singapore. This Offer Booklet and a personalised Entitlement and Acceptance Form will only be sent to Eligible Shareholders.

The offer contained in this Offer Booklet to Eligible Shareholders with registered addresses in New Zealand is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand)*. Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

The Company reserves the right to reject any Entitlement and Acceptance Form that it believes comes from a person who is not an Eligible Shareholder.

The offer contained in this Offer Booklet is being extended to Singaporean investors who (i) qualify as an "institutional investor" in accordance with the requirements of the Securities and Futures Act of Singapore (**SFA**) (ii) will acquire the New Shares the subject of their Entitlement in accordance with the applicable provisions of the SFA and (iii) understand that the offer of their Entitlement to them under the Rights Issue (and the subsequent issue of New Shares the subject of their Entitlement) is subject to the restrictions (including selling restrictions) set out in the SFA.

The Rights Issue is not being made to any investor (other than to Singaporean "institutional investors" (if any)) outside of Australia or New Zealand.

Ineligible Shareholders

In accordance with ASX Listing Rule 7.7.1 and section 9A of the Corporations Act, the Company has decided that it is unreasonable to extend the Rights Issue to any Shareholder (other than to Singaporean "institutional investors" (if any)) with a registered address outside of Australia or New Zealand as at the Record Date (**Ineligible Shareholder**), having regard to:

- (a) the number of Shareholders with addresses outside of Australia or New Zealand;
- (b) the number and value of the New Shares those Shareholders would be offered under the Rights Issue; and
- (c) the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

Accordingly, the Rights Issue is not being extended to, and does not qualify for distribution or sale by or to, and no New Shares will be issued to, Shareholders (other than any Singaporean "institutional investors") having registered addresses outside Australia or New Zealand. To the extent that there are any Ineligible Shareholders registered at the Record Date, the Company will send details of the Rights Issue to each Ineligible Shareholder and advise each Ineligible Shareholder that they will not be offered New Shares under the Rights Issue.

2.10 Overseas Shareholders

This Offer Booklet does not, and is not intended to, constitute an offer or invitation in the United States, to any US person, to any person acting for the account or benefit of a person in the United States, or in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The distribution of this Offer Booklet in jurisdictions outside of Australia or New Zealand may be restricted by law and persons who come into possession of this Offer Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken by the Company to register the New Shares or otherwise permit an offering of the New Shares in any jurisdiction other than Australia, New Zealand or (and in the case of institutional investors only) Singapore. Eligible Shareholders holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Rights Issue does not breach in the securities law of the relevant overseas jurisdiction.

The New Shares have not been and will not be registered under the US Securities Act of 1933 or the securities laws of any state or jurisdiction in the United States and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed. The Rights Issue is being made to all Eligible Shareholders. The Company is not required to determine whether or not any Eligible Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

Where any registered holder that qualifies as an Eligible Shareholder is acting as a nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws.

Any person in the United States or any person that is, or is acting for the account or benefit of a U.S. person with a holding through a nominee may not participate in the Rights Issue and the nominee must not take up any Entitlement or send any materials into the United States or to any person that is, or is acting for the account or benefit of, a U.S. person. It is the responsibility of a Shareholder to ensure compliance with any laws of a country relevant to their application. Return of a completed Entitlement and Acceptance Form will be taken by the Company as a representation that there has been no breach of such laws and that the applicant is an Eligible Shareholder.

2.11 Rights and liabilities attaching to New Shares

The New Shares will, from issue, rank equally with existing Shares. Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available on the Company's website www.datelineresources.com.au.

2.12 Costs of the Rights Issue

It is expected that the costs of the Rights Issue will be approximately \$20,000 (excluding GST).

2.13 Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company (directly or via the Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry. You can access, correct and update the personal information that we hold about you. Please contact the Share Registry if you wish to do so at the relevant contact numbers set out in the Entitlement and Acceptance Form. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

3. Action required by Shareholders

3.1 Your choices

If you are an Eligible Shareholder, you may do any one of the following:

- take up all or part of your Entitlement (see Section 3.2 below);
- take up all of your Entitlement and apply for Additional New Shares (i.e. New Shares in excess of your Entitlement (see Section 3.3 below));
- sell your Entitlement on ASX or to a third-party (see Section 3.4 below); or
- do nothing (in which case your Entitlement (or the New Shares in respect of that renounced Entitlement) may be sold by a broker appointed by the Company in a sale process with the proceeds of that sale, if any, remitted to you (less costs)).

3.2 If you decide to take up all or part of your Entitlement

If you decide to take up all or part of your Entitlement, please:

- if you are within Australia or New Zealand and you have an account with an Australian financial institution that supports BPAY® payments, pay your Application Monies via BPAY®; or
- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies, by following the instructions set out on the personalised Entitlement and Acceptance Form.

The Company will treat you as applying for as many New Shares as your payment will pay for in full.

If you take up and pay for all or part of your Entitlement, before the close of the Rights Issue, you will be issued with your New Shares and Additional New Shares (if applicable to you) on or about Thursday, 7 February 2019.

The Company reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Shareholders or persons claiming to be Eligible Shareholders if their claims prove to be incorrect or overstated or if they fail to provide information (if requested) to substantiate their claims.

To participate in the Rights Issue, your payment must be received by no later than the Closing Date and time, which is 5pm (Sydney time) on Thursday, 31 January 2019. Eligible Shareholders who wish to pay via cheque, bank draft or money order will also need to ensure that their completed personalised Entitlement and Acceptance Form is received by that time and date using the reply paid envelope provided with this Offer Booklet.

3.3 If you decide to take up all of your Entitlement and apply for Additional New Shares

If you decide to take up all of your Entitlement and apply for Additional New Shares, please:

- if you are within Australia or New Zealand and you have an account with an Australian financial institution that supports BPAY® payments, pay your Application Monies via BPAY®; or
- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies, by following the instructions set out on the personalised Entitlement and Acceptance Form.

The Company will treat you as applying for as many New Shares as your payment will pay for in full up to your full Entitlement and, in respect of amounts received by the Company in excess of your full Entitlement (**Excess Amount**), will treat your Application as applying for as many Additional New Shares as your Excess Amount will pay for in full, subject any scale back that the Company may determine to implement in its discretion.

3.4 If you wish to sell all or part of your Entitlement

Sale of Entitlements on ASX

If you wish to sell all or part of your Entitlement on ASX, you should instruct your stockbroker and provide details as requested from your personalised Entitlement and Acceptance Form. You should allow sufficient time for your instructions to be carried out by your stockbroker.

Entitlement trading is expected to start at 10am (Sydney time) on Tuesday, 4 December 2018 (ASX: DTRR) and cease at 4pm (Sydney time) on Wednesday, 23 January 2019.

The price obtainable for Entitlements may rise and fall during the course of trading and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of Shares relative to the Issue Price. If you sell your Entitlement on ASX, you may receive a higher or lower price than a Shareholder who sells their Entitlements at a different time or in a sales process conducted by a broker appointed by the Company if you take no action (see Section 3.5 below).

You may also incur brokerage costs if you choose to sell your Entitlement on ASX. There is no guarantee that there will be a liquid market in Entitlements. A lack of liquidity may impact your ability to sell your Entitlement on ASX and the price you may be able to achieve.

If you wish to sell part of your Entitlement on ASX and renounce the balance, follow the procedure in respect of the part of your Entitlement you wish to sell on ASX and do nothing in respect of the balance.

The Company assumes no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you trade your Entitlement before the Entitlements are issued, or before you receive your personalised Entitlement and Acceptance Form, whether on the basis of a confirmation of allocation provided by the Company, the Registry or otherwise.

Sale of Entitlements other than on ASX

If you wish to transfer all or part of your Entitlement other than on ASX (i.e. to a third-party), you must forward a completed Renunciation and Transfer Form to the Registry in relation to the part of your Entitlement that you wish to transfer.

If the transferee wishes to take up all or part of the Entitlement transferred to them, they must also send their Application Monies together with the Entitlement and Acceptance Form related to the Entitlement transferred to the Registry before the Closing Date.

If you hold issuer sponsored securities, you can obtain a Renunciation and Transfer Form by calling the Registry at any time from 9am to 5pm (Sydney time) Monday to Friday during the period from and including the date on which the Rights Issue opens until and including the date on which it closes.

The Renunciation and Transfer Form together with Application Monies and Entitlement and Acceptance Form must be received by the Registry before 5pm (Sydney time) on the Closing Date.

If you hold broker/CHESS sponsored securities you can obtain a Renunciation and Transfer Form by contacting your stockbroker.

If you sell (whether on ASX or otherwise) or take no action in relation to your Entitlement, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up that Entitlement. Your percentage holding in the Company will also be diluted.

3.5 If you take no action

If you take no action you may still receive payment for the Entitlement or part of your Entitlement not taken up (i.e. "renounced" by you). This is because the Company will arrange for renounced Entitlements (or the New Shares in respect of those renounced Entitlements) to be offered for subscription to certain institutional investors through a bookbuild (or similar sale process) which may be conducted by a broker (or its nominee) appointed by the Company. The "premium" (i.e. (and depending on whether renounced Entitlements or New Shares representing those renounced Entitlements are the securities actually sold in the sale process) either the price received for the renounced Entitlements or the positive difference between the clearing price for New Shares representing renounced Entitlements and the Issue Price) will be remitted (via cheque) to renouncing Shareholders (net of any withholding tax and other costs).

No assurance or guarantee can be given as to the price that will be achieved under the sale process for (or in respect of) the renounced Entitlements and in certain circumstances (including where the "clearing" price for New Shares representing renounced Entitlements is less than the Issue Price) no distribution will be made to renouncing Shareholders.

To the maximum extent permitted by law, the Company and its directors, related bodies corporate, agents, affiliates, officers, employees and professional advisers disclaim all liability, including for negligence, for any failure to procure applications for Entitlements (or New Shares representing renounced Entitlements) under the sale process referred to above at price which generates a premium.

Any premium you may receive may have Australian and/or overseas tax consequences for you, depending on your individual circumstances. You should seek professional tax advice regarding the taxation of any proceeds received.

3.6 Acceptance of your Entitlement

The method of acceptance of your Entitlement will depend on your method of payment being by cheque, bank draft, BPAY® or money order. By completing and returning your personalised Entitlement and Acceptance Form, you will be deemed to have represented that you are an Eligible Shareholder.

3.7 Payment for New Shares

The Issue Price for each New Share accepted under your Entitlement is payable on application. Payment by cheque, bank draft, money order or by BPAY® will be accepted.

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form and return it to the address specified on the form accompanied by a cheque, bank draft or money order in Australian dollars for the amount of the Application Monies, payable to "Dateline Resources Limited" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.002 multiplied by the number of New Shares (and Additional New Shares, if applicable to you) that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- you are deemed to have applied for such whole number of New Shares that is covered in full by your Application Monies, whether that number is less than, equal to, or more than your Entitlement.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

You should ensure that sufficient funds are held in the relevant account(s) to cover the application monies. If the amount of your cheque for application monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared application monies will pay for (and taken to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

All payments must be in Australian dollars. Foreign currency will not be accepted. Cash payments will not be accepted. Other currency or cash payments will be returned to the applicant and the acceptance will be deemed invalid. The amount payable on application will be deemed not to have been received until the Company's receipt of clear funds. Receipts for payment will not be issued.

Application Monies will be held on trust for applicants until the issue of the New Shares. Any application monies received for more than your final allocation of New Shares will be refunded (except when the amount is less than \$2.00, in which case it will be retained by the Company) on or around Friday, 8 February 2019.

No interest will be paid on any application monies received or refunded. Interest earned on application monies will be for the benefit of the Company and will be retained by it whether or not issue takes place.

3.8 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Booklet and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

3.9 Representations by Acceptance

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY® you will be deemed to have acknowledged, represented and warranted that you, and each person on whose account you are acting:

- acknowledge that you have fully read and understood both this Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- acknowledge the matters and make the warranties and representations and agreements contained in this Offer Booklet and in your personalised Entitlement and Acceptance Form;
- agree to be bound by the terms of the Rights Issue, the provisions of this Offer Booklet and the Constitution;
- authorise the Company to register you as the holder(s) of any New Shares (Additional New Shares, if applicable) issued to you;
- declare that all details and statements in your personalised Entitlement and Acceptance Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under your personalised Entitlement and Acceptance Form;
- acknowledge that once the Company receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY, you may not withdraw your Application or Application Monies except as allowed by law;
- agree to apply for and be issued with up to the number of New Shares and Additional New Shares (if applicable) specified in your personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, in each case, at the Issue Price per New Share (and Additional New Share);
- authorise the Company and the Registry and their respective officers or agents to do anything on your behalf necessary for New Shares and Additional New Shares (if applicable) to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice or financial product advice and both documents have been prepared without taking into account your investment objectives, financial circumstances or particular needs or circumstances. You acknowledge that this Offer Booklet and your personalised Entitlement and Acceptance Form is not a recommendation that New Shares and Additional New Shares (if applicable) are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that none of the Company or any of its related bodies corporate, affiliates, directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantee the performance of the Company or the repayment of capital;

- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Rights Issue and of your holding of Shares on the Record Date;
- authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and the personalised Entitlement and Acceptance Form, and nor does it prohibit you from making an Application for New Shares and Additional New Shares (if applicable); and
- represent and warrant that your acceptance of the Rights Issue does not breach any laws in a jurisdiction outside Australia or New Zealand.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that you are an Eligible Shareholder (as defined in this Offer Booklet) or otherwise eligible to participate in the Rights Issue and:

- you and each person on whose account you are acting are not in the United States and are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements, New Shares or Additional New Shares (if applicable) under the Rights Issue and under any applicable laws and regulations;
- the Entitlements, New Shares and Additional New Shares (if applicable) have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand and, accordingly, the Entitlements may not be taken up, and the securities being offered under this Offer Booklet may not be offered, sold or otherwise transferred, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- you and each person on whose account you are acting have not and will not send any materials relating to the Rights Issue to any person in the United States;
- if in the future you decide to sell or otherwise transfer New Shares or Additional New Shares (if applicable) you will only do so in regular way transactions on ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States, and you have not sent this Offer Booklet, the personalised Entitlement and Acceptance Form or any information relating to the Rights Issue to any such person.

3.10 Brokerage

No brokerage is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for an Entitlement.

3.11 Governing law

This Offer Booklet and the contracts which arise on the acceptance of applications are governed by the laws applicable in New South Wales and each applicant submits to the non-exclusive jurisdiction of the courts of New South Wales.

3.12 Placement of Shortfall

Any New Shares offered under the Rights issue that are not subscribed for by Eligible Shareholders by the Closing Date will form part of the Shortfall. The Directors reserve the right, subject to the Corporations Act and the Listing Rules, to allocate any Shortfall to Eligible Shareholders¹⁸ that apply for Additional New Shares (i.e. New Shares in addition to their Entitlement) or otherwise, to place any remaining Shortfall¹⁹ at their discretion within 3 months of the Closing Date (at a price not less than the Issue Price).

4. Material contracts

4.1 Summary of key Colorado acquisition arrangements

Gold Links mine acquisition

Each of Gydesen, CRG Mining, Wilkinson and Gunnison Gold are parties to the Gold Links Mine Acquisition Agreement. It includes the following material terms and conditions:

- **(Acquisition)** Gunnison Gold agreed to acquire all of the membership interests, membership rights and other issued capital in CRG Mining from Gydesen (as the seller).
- **(Gold Links Mine Assets)** CRG Mining held tenements and permits in relation to the Gold Links mine (including mine permit no. M1987143) and all other assets, geological information, licences, approvals and leases used in conjunction with production at the Gold Links mine together with certain equipment used in conjunction with production at the Gold Links mine (**Gold Links Mine Assets**). The transfer of relevant assets is subject to all relevant laws and conditions of applicable government agencies, including permit conditions, and subject to other matters disclosed to Gunnison Gold during the course of its due diligence.
- **(Consideration)** The consideration for the acquisition of CRG Mining was and is as follows:
 - US\$100,000;
 - 30,000,000 fully paid ordinary shares in DTR;
 - a royalty on terms set out in below; and
 - a balloon payment on terms set out below.
- **(Royalty)** In each Quarter after the first sale of products from the Colorado Tenements, Gydesen is entitled to receive a proportion of the payments received by Gunnison Gold or any Group Entity from such products (**Production Repayment Amount**) determined in accordance with the following formula: **A = B x C / D**. Where:
 - **A** means the Production Repayment Amount for a particular Quarter;
 - **B** means US\$50.00, being a fixed price per ounce;
 - **C** means the gross proceeds actually received by Gunnison Gold or its nominee, or any successor or assignee of the Colorado Tenements

¹⁸ Under the terms of the Rights Issue, "related parties" (as that term is defined in section 228 of the Corporations Act) (or their associates) of the Company are not eligible to apply for Additional New Shares.

¹⁹ Please also note that other than under the underwriting arrangements that the Company has with Mr Johnson, Mr Dovaston, Mr Baghdadi and Mr Hall, the Company will not place any part of the Shortfall to related parties (or their associates) of the Company.

- (Producer)** (or applied to its benefit) in a Quarter, from the sale or other disposal of certain base metals and precious metals out turned to the Producer's pool account (or to another account for the benefit of the Producer) by a refinery from ores or minerals mined and removed from properties the subject of the Colorado Tenements (**Quarterly Gross Revenue**); and
- **D** means the average daily price per ounce of gold in that Quarter using the London Bullion Brokers Afternoon Gold Fix reference price.
 - **(Balloon Payment)** Within 5 business days after the end date, Gunnison Gold (or its nominee) must pay to Gydesen an amount equal to US\$2.5 million less the aggregate of all Production Repayment Amounts for each Quarter up to the end date. The aggregate of all Production Repayment Amounts and the Balloon Payment must not exceed US\$ 5 million.
 - **(Pre-completion liabilities)** Gydesen is responsible for and indemnifies Gunnison Gold in respect of all liabilities and obligations arising before, on or after completion of the acquisition from any event or circumstance occurring before completion of the acquisition in connection with the operation of the Gold Links mine or any of the Gold Links Mine Assets or the Gold Links Tenements.
 - **(Representations and warranties)** Various representations and warranties were given by Gydesen to Gunnison Gold. Gunnison Gold (or its nominee) is entitled to withhold payment otherwise due to Gydesen in the event any of the representations or warranties are materially untrue, inaccurate, misleading or incorrect in any respect. Gydesen made no representations or warranties that the permits for the Gold Links Mine will be sufficient for any activities other than the mine plan for CRG Mining as at 27 September 2016.
 - **(Security)** Through the CRG Transfer and Security Agreement dated September 20, 2016, Gydesen simultaneously transferred the ownership of CRG Mining to Fossil Creek through and received a security interest in the mineral rights associated with Gold Link Mine Assets to secure the performance of the Gold Links Mine Acquisition Agreement.
 - **(Right of first refusal)** If Gydesen or any of its related entities have an interest in any other mining exploration or production assets which they wish to sell, or have been approached to acquire an interest in any mining exploration or production assets, and the assets which are the subject of that proposed sale or investment are the same or substantially similar to any part of the Gold Links Mine Assets, then Gydesen must offer Gunnison Gold (or its nominee) the opportunity to either: (A) acquire such assets from the relevant vendor or (B) acquire the interest in such assets that was offered to the relevant seller, on substantially the same terms as those offered to the third party or that seller (as applicable).
 - **(Governing law)** The Gold Links Mine Acquisition Agreement is governed by and must be construed in accordance with the laws in force in Colorado. The parties submitted to the jurisdiction of the courts of Colorado and the United States of America in respect of all matters arising out of or relating to this agreement, its performance or subject matter.

Gold Links mill acquisition

Each of Gydesen, SLV Minerals, Wilkinson, Jon R. Fulmer Trust, Fullmer and Sagauche Milling are parties to the Gold Links Mill Acquisition Agreement. It includes the following material terms and conditions:

- **(Acquisition)** Sagauche Milling agreed to acquire all of the membership interests, membership rights and other issued capital in SLV Minerals from each of Gydesen, Fullmer, Wilkinson and the Jon R. Fullmer Trust collectively (**Mill Sellers**).
- **(Gold Links Mill Assets)** SLV Minerals held permits, approvals and licences in relation to the Gold Links mineral ore processing plant operated by the Mill Sellers (including milling permit no. 2012-LU-1 issued by the Sagauche County, Colorado) (**Gold Links Mill**), all plant and equipment used in connection with the Mill, all freehold land on which the Gold Links Mill is located and all other assets, licences, approvals and leases used in conjunction with production at the Gold Links mine (**Gold Links Mill Assets**). The transfer of relevant assets is subject to a lien for real property taxes, subject to all relevant laws and conditions of applicable government agencies and subject to other matters disclosed to Sagauche Milling during the course of its due diligence.
- **(Consideration)** The consideration for the acquisition of SLV Minerals and the acquisition of the Gold Links Mill Assets was US\$100,000.
- **(Pre-completion liabilities)** The Mill Sellers are responsible for and indemnify Sagauche Milling in respect of all liabilities and obligations arising before, on or after completion of the acquisition from any event or circumstance occurring before completion of the acquisition in connection with the operation of the Gold Links Mill or any of the Gold Links Mill Assets or the relevant permits.
- **(Representations and warranties)** Various representations and warranties were given by the Mill Sellers to Sagauche Milling. Sagauche Milling (or its nominee) is entitled to withhold payment otherwise due to the Mill Sellers if any of the warranties is not true, inaccurate, misleading or deceptive.
- **(Security)** This asset is unencumbered.
- **(Right of first refusal)** If any of the Mill Sellers or any of its related entities have an interest in any other mineral ore processing or production assets which they wish to sell, or have been approached to acquire an interest in any mineral ore processing or production assets, and the assets which are the subject of that proposed sale or investment are the same or substantially similar to the Gold Links Mill or the Gold Links Mill Assets, then the Mill Sellers must offer Sagauche Milling (or its nominee) the opportunity to either: (A) acquire such assets from the relevant vendor or (B) acquire the interest in such assets that was offered to the relevant seller, on substantially the same terms as those offered to the third party or that seller (as applicable).
- **(Governing law)** The Gold Links Mill Acquisition Agreement is governed by and must be construed in accordance with the laws in force in Colorado. The parties submitted to the jurisdiction of the courts of Colorado and the United States of America in respect of all matters arising out of or relating to this agreement, its performance or subject matter.

Gold Links land acquisition

Each of Fossil Creek Mines and Gold Links Mining are parties to the Gold Links Land Acquisition Agreement. It includes the following material terms and conditions:

- **(Acquisition)** Fossil Creek Mines agreed to acquire from Gold Links Mining all land, mineral interests, patented and unpatented mining claims, buildings, apparatus, equipment and appliances (excluding the property of occupants and tenants), interests in any rights, profits, privileges and easements, tangible personal property and certain related other assets in respect of the Gold Links mine (**Land Assets**). As part of the acquisition, Gold Links Mining conveyed and quitclaimed all of its right, title and interest in the Land Assets to Fossil Creek Mines.
- **(Consideration)** In consideration of the transfer of the Land Assets, Fossil Creek Mines:
 - procured the issue of 30,000,000 fully paid ordinary shares in DTR to Gold Links Mining;
 - procured DTR to enter into the Option Agreement referred to below;
 - entered into a Grant of Royalties and Ownership of Production Agreement; and
 - entered into Deeds of Trust.
- **(Option Agreement)** On 18 February 2018, DTR and David H. Tippitt (the President of Gold Links Mining) (**Tippitt**) entered into the Option Agreement under which DTR issued 10,000,000 options to Tippitt to acquire fully paid ordinary shares in DTR at the price of such shares as at 3 February 2018. The options are exercisable at any time within 3 years from the date of issue.
- **(Royalties)** On or around February 2018, Fossil Creek Mines and Gold Links Mining entered into the Grant of Royalties and Ownership of Production Agreement under which Fossil Creek Mines granted to Gold Links Mining a minimum amount of 1% up to a maximum of 7% (depending upon the price of gold and/or the grade of gold and noted below) of the Net Smelter Returns (defined below) all ores, minerals, metals and materials that may be produced from the properties on which the Gold Links mine is located (**Ownership of Net Smelter Returns Production Interest**). The Ownership of New Smelter Returns Production Interest is determined as follows:

Gold Price per ounce	Net Smelter Returns Production Interest
US\$1,000 and below	1%
US\$1,001 to US\$1,500	An additional 0.1% for every US\$100 in excess of US\$1,000 up to US\$1,500
US\$1,501 to US\$2,000	2%
US\$2,001 to US\$5,500	2% plus an additional 0.1% for every US\$100 in excess of US\$2,000 up to US\$5,500
US\$5,501 and above	7%

The Net Smelter Returns Production Interest is subject to adjustment every 6 months if and when the ratio of the number of ounces of gold produced to the number of tonnes of ore mined and milled is greater than 1:1 (Gold Ratio). The adjustment is capped so that the Ownership of Net Smelter Returns Production Interest must never exceed 7%.

Separately, Fossil Creek Mines agrees to pay Gold Links Mining a minimum royalty of US\$15,000 per calendar year to be paid annually in arrears, commencing in February 2020 (**Commencement Date**), with Fossil Creek Mines being required to make such

payments in relation to each calendar year after the Commencement Date in which it elects not to undertake any production in respect of the Gold Links mine despite a profitable and commercially viable quantity of ore being available from that mine as determined by the board of directors of Fossil Creek Mines and its operating profit margin benchmarks (**Minimum Amount**).

The amount of the royalty due to Gold Links Mining in relation to a calendar year after the Commencement Date under the Grant of Royalties and Ownership of Production Agreement is reduced by the payment of any Minimum Amount. Gold Links Mining may assign the Grant of Royalties and Ownership of Production Agreement subject to consent of Fossil Creek Mines, such consent not to be unreasonably withheld.

"Net Smelter Returns" refers to the gross value of various base metals and precious metals produced by Fossil Creek Mines (or its successors or assigns) (**Producer**) from ores and minerals mined from the Gold Links mine (as determined via applicable industry reference pricing), less costs, charges and expenses paid or incurred by the Producer after production of concentrates, whether at the Gold Links mine or elsewhere, in either case for the transportation, processing, treatment or upgrading of the concentrates and including sales and brokerage costs and government royalties and taxes.

Upon acquisition of the Raymond and Carter Land Assets, they will also be included in the Grant of Royalties and Ownership of Production Agreement.

- (**Deeds of Trust**) Each of Fossil Creek Mines, CRG Mining and Sooner entered into Deeds of Trust in favour of Gold Links Mining to secure the obligations of Fossil Creek Mines under the Grant of Royalties and Ownership of Production Agreement against the Gold Links, Lucky Strike Tenements, and upon their acquisition, the Raymond and Carter Land Assets. Following the acquisition of the Raymond and Carter Land Assets, they will also be included in a Deed of Trust to Gold Links Mining to secure the obligations of Fossil Creek Mines under the Grant of Royalties and Ownership of Production Agreement.
- (**Governing law and jurisdiction**) The Gold Links Land Acquisition Agreement is governed and controlled as to validity, enforcement, interpretation, construction, effect and in all other respect by the laws of the State of Colorado, United States of America. The parties agreed to the exclusive jurisdiction in Gunnison, Colorado or Federal Court within Denver, Colorado with respect to any claim or cause of action arising under or relating to the Gold Links Land Acquisition Agreement.

Raymond and Carter acquisition

Each of Fossil Creek Mines and Sagecrest Gunnison are parties to the Raymond and Carter Land Acquisition Agreement which has now completed. See the Company's ASX announcement dated 20 September 2018 for further details.

Lucky Strike mine acquisition

Each of K VX, ALSH, Fossil Creek Mines and Sooner are parties to the Lucky Strike Mine Acquisition Agreement. It includes the following material terms and conditions:

- (**Acquisition**) Fossil Creek Mines agreed to acquire all of the membership interests, membership rights and other issued capital in ALSH from K VX.

- **(Lucky Strike Assets)** ALSH held all the tangible and intangible personal property and real property assets in relation to the Lucky Strike mine, the Lucky Strike mineral ore processing plant, the Mineral Hill mine adjacent to the Lucky Strike mine located on the Lucky Strike Tenements (including all related freehold property) and all membership and other ownership interests in Sooner (**Lucky Strike Assets**).
- **(Consideration)** The consideration for the acquisition of ALSH is as follows:
 - US\$200,000;
 - 30,000,000 fully paid ordinary shares in DTR;
 - a royalty on terms set out below; and
 - a balloon payment on terms set out below.
- **(Royalty)** In each Quarter after the first sale of products from the Colorado Tenements, K VX is entitled to receive a proportion of the payments received by Fossil Creek Mines or any Group Entity from production from the Colorado Tenements (**Production Repayment Amount**) determined in accordance with the following formula: $A = B \times C / D$. Where:
 - **A** means the Production Repayment Amount for a particular Quarter;
 - **B** means US\$50.00, being a fixed price per ounce;
 - **C** means the gross proceeds actually received by Fossil Creek Mines or its nominee, or any successor or assignee of the Colorado Tenements (**Producer**) (or applied to its benefit) in a Quarter, from the sale or other disposal of certain base metals and precious metals out turned to the Producer's pool account (or to another account for the benefit of the Producer) by a refinery from ores or minerals mined and removed from properties the subject of the Colorado Tenements (**Quarterly Gross Revenue**); and
 - **D** means the average daily price per ounce of gold in that Quarter using the London Bullion Brokers Afternoon Gold Fix reference price.
- **(Balloon Payment)** Within 5 business days after the end date, Fossil Creek Mines and Sooner (or their respective nominee) must pay to K VX an amount equal to US\$2.5 million less the aggregate of all Production Repayment Amounts for each Quarter up to the end date. The aggregate of all Production Repayment Amounts and the Balloon Payment must not exceed US\$5 million.
- **(Pre-completion liabilities)** K VX is responsible for and indemnifies Fossil Creek Mines in respect of all liabilities and obligations arising before, on or after completion of the acquisition from any event or circumstance occurring before completion of the acquisition in connection with the Lucky Strike Assets.
- **(Representations and warranties)** Various representations and warranties were given by K VX to Fossil Creek Mines.
- **(Security)** ALSH and Sooner provided K VX with Deeds of Trust to secure performance of the Lucky Strike Mine Acquisition Agreement by Fossil Creek. The relevant security interest is over the mineral rights associated with the Gold Links, Lucky Strike Tenements and the Raymond and Carter Land Assets.
- **(Governing law)** The Lucky Strike Mine Acquisition Agreement is governed by and must be construed in accordance with the laws in force in Colorado. The parties submitted to the jurisdiction of the courts of Colorado and the United States of America in respect of all matters arising out of or relating to this agreement, its performance or subject matter.

5. General information regarding the Rights Issue

5.1 Risks

An investment in New Shares (and, if applicable to you, Additional New Shares) should be regarded as speculative and involves many risks.

Eligible Shareholders intending to participate in the Rights Issue should refer to the announcements made by the Company to the ASX. This information is available from the ASX website: www.asx.com.au (ASX code: DTR). Copies of the announcements are also available from the Company Secretary on request.

Shareholders should consider the investment in the context of their individual risk profile, investment objectives and financial circumstances. Each Eligible Shareholder should consult their own stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest in the New Shares (and, if applicable to you, Additional New Shares).

Neither the New Shares (nor the Additional New Shares, if applicable) carry a guarantee with respect to the payment of dividends, returns of capital or the market value or liquidity of those Shares.

Eligible Shareholders should be aware that there are risks associated with investment in shares of companies listed on a stock exchange. The value of securities can be expected to fluctuate depending on various factors including the general condition of the Australian economy, general worldwide economic and political conditions, changes in government policies, taxation changes and legislative or regulatory changes, investor sentiment, inflation levels, movements in the price of shares, movements in interest rates and stock markets, commodity prices, industrial disruption, environmental impacts, international competition, and other factors which may affect the Company's financial performance and position. Many of these factors are beyond the control of the Company and the Company cannot, to any degree of certainty, predict how they will impact on the Company. Accordingly, assuming that the New Shares (and if applicable, the Additional New Shares) are granted official quotation by ASX, they may trade on ASX at higher or lower prices than the Issue Price.

The information in this Offer Booklet does not constitute a recommendation to subscribe for New Shares (or Additional New Shares) and this Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares (and if applicable, Additional New Shares). You should make your assessment of what information is relevant to your decision to participate in the Rights Issue.

5.2 Tax consideration for investors


You should be aware that there may be taxation implications associated with participating in the Rights Issue. The Directors consider that it is not appropriate to give advice regarding the taxation consequences of subscribing for New Shares (and if applicable to you, the Additional New Shares) or the subsequent disposal of any such Shares. The Company, its advisers and its officers do not accept any responsibility or liability for any taxation consequences to Shareholders. The Directors recommend that all Shareholders consult their own professional tax advisers in connection with subscribing for, or subsequent disposal of, New Shares (and if applicable, the Additional New Shares).

5.3 Enquiries

If you have any questions regarding the Rights Issue, please do not hesitate to contact John Smith, Company Secretary on +61 2 8231 6640 or contact your stockbroker or professional adviser.

For and on behalf of

Dateline Resources Limited

A handwritten signature in blue ink, appearing to read 'Stephen Baghdadi', with a long horizontal flourish extending to the right.

Stephen Baghdadi
Executive Director

Glossary

In this Offer Booklet:

ALSH means ALSH, LLC, a Colorado limited liability company.

Applicant means a person who has applied for New Shares (and Additional New Shares, if applicable) under the Rights Issue by submitting an Application.

Application means an application for New Shares (and Additional New Shares, if applicable) under the Rights Issue using a personalised Entitlement and Acceptance Form (with Application Money) or the payment of Application Money by BPAY®.

Application Money or Monies means monies received from the Applicants in respect of their Application.

ASX Settlement Operating Rules means the settlement operating rules administered by ASX.

CHESS means the Clearing House Electronic Sub-register System, operated by ASX Settlement Pty Limited.

Colorado Tenements means the Gold Links Tenements, the Lucky Strike Tenements and any Other Colorado Tenements.

Constitution means the Company's constitution.

CRG Mining means CRG Mining LLC, a Colorado limited liability company with Colorado entity identification number 20111033525 EIN 27-4580733 (a company organized in Colorado, United States of America) of 502 S. Wisconsin Street, Gunnison, Colorado 81230, United States of America.

Director means a director of the Company.

DTR means the Company.

Entitlement means the number of New Shares that an Eligible Shareholder is entitled to subscribe for under the Rights Issue, as determined by the number of Shares held by that Eligible Shareholder on the Record Date.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form accompanying this Offer Booklet.

Fossil Creek Mines means Fossil Creek Mines LLC, a Wyoming limited liability company.

Fullmer means Lorrin Fullmer of 502 S. Wisconsin Street, Gunnison, Colorado 81230, United States of America.

Gold Links Land Acquisition Agreement means the Purchase and Sale Agreement between Gold Links Mining and Fossil Creek Mines dated on or around February 18, 2018.

Gold Links Mill Acquisition Agreement means the Acquisition Agreement in relation to SLV Minerals LLC between Sagauche Milling, SLV Minerals, Gydesen, Wilkinson, Jon R. Fullmer Trust and Fullmer dated 20 September 2016.

Gold Links Mine Acquisition Agreement means the Acquisition Agreement in relation to CRG Mining LLC between Gydesen, CRG Mining, Wilkinson and Gunnison Gold dated 20 September 2016 as amended on 27 September 2016, 29 November 2017 and on or around February 2018.

Gold Links Mining means Gold Links Mining Corp, a Colorado corporation.

Gold Links Tenements means the permits, licences and tenements associated with the mining exploration or production conducted at the Gold Links mine as set out in the Gold Links Mine Acquisition Agreement.

Group Entity means all legal entities that own any interest in CRG Mining, Gunnison Gold, Fossil Creek Mines, or any entity with any ownership interests in such entities and any entity owned by such entities.

Gunnison Gold means Gunnison Gold Pty Ltd ACN 614 904 479 of Level 29, 2 Chifley Square, Sydney, New South Wales 2000, Australia.

Gydesen means Robert Gydesen of 502 S. Wisconsin Street, Gunnison, Colorado 81230, United States of America.

Jon R. Fullmer Trust means the Jon R Fullmer Trust of 820 W. Tomichi Avenue, Gunnison, Colorado 81230, United States of America.

KVX means KVX Investments, LLC, a Delaware limited liability company.

Lucky Strike Mine Acquisition Agreement means the Membership Interest Purchase Agreement in relation to ALSH between KVX, Sooner, Fossil Creek Mines and ALSH dated 5 May 2017 as amended on 25 July 2017, on or around February 2018, and on March 7, 2018.

Lucky Strike Tenements means the permits, licences and tenements associated with the mining exploration or production conducted at the Lucky Strike mine and in respect of the Mineral Hill mine as set out in the Lucky Strike Mine Acquisition Agreement.

Other Colorado Tenements means any other permits, licences and tenements associated with mining exploration or production conducted by a Group Entity within the State of Colorado.

Quarter means a period of 3 months commencing on 1 January, 1 April, 1 July and 1 October in each calendar year.

Raymond and Carter Land Acquisition Agreement means the Real Estate Purchase Agreement between Sagecrest Gunnison and Fossil Creek Mines dated 6 November 2017 as amended July 1, 2018.

Raymond and Carter Land Assets means the 3 parcels of real property consisting predominately of parts of approximately 155 mining claims together with all easements, licences, privileges and the rights, title and interests of Sagecrest Gunnison to mineral substances presently in, on, or under those parcels.

Sagauche Milling means Sagauche Milling LLC, a Nevada limited liability company.

Sagecrest Gunnison means Sagecrest Gunnison, LLC, a Delaware limited liability company, at 1603 Orrington Avenue, Suite 1600, Evanston, Illinois 60201, United States of America.

SLV Minerals means SLV Minerals, LLC, a Colorado limited liability company with entity identification number 20111261959, Colorado account number 27363461 (a company organized in Colorado, United States of America) of 502 S. Wisconsin Street, Gunnison, Colorado 81230, United States of America.

Sooner means Sooner Lucky Strike Mine, LTD., a Colorado corporation.

SXX means Southern Cross Exploration N.L. ACN 000 716 012.

Wilkinson means Jacob Wilkinson of 502 S. Wisconsin Street, Gunnison, Colorado 81230, United States of America.