



**DATELINE RESOURCES LIMITED
& ITS CONTROLLED ENTITIES**

A.C.N. 149 105 653

FINANCIAL REPORT to SHAREHOLDERS

for the HALF YEAR ENDED

31 DECEMBER 2021

Directors & Officers

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

Registered Office

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Sydney NSW 2000

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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

HLB Mann Judd Assurance (NSW) Pty
Ltd
Level 19, 207 Kent Street
Sydney NSW 2000
Website: www.hlb.com.au

Share Registry

Automic Group
Level 5, 126 Phillip Street
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 2021 (“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 Non-Executive Chairman	Appointed 22 April, 2013
Mr. Stephen Baghdadi CEO and Managing Director	Appointed 4 July 2014
Mr. Gregory Hall Non-Executive Director	Appointed 19 January 2015
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 individual during the period:

- Mr. John Smith (appointed 24 October 2013, resigned 1 November 2021)
- Mr Mark Ohlsson (appointed 1 November 2021).

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 project is comprised of several contiguous historic gold mines that have been consolidated by the company. 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 made significant progress on advancing the project towards production. At the start of the reporting period, the company commenced a major underground development and underground drilling program. This program provided access to the 2150 and West Veins for further assessment, with a second escapeway included in the program.

Following positive drilling results, the Board made the decision towards the end of the reporting period to commence gold production from the 9900RL mineral resource area. Two headings were developed with ore extracted and transported to the company's 100% owned Lucky Strike mill.

The Lucky Strike mill is located 50km away from the Gold Links and is fully permitted with a nominal capacity of 100tons per day (tpd) throughput. With commissioning commencing in February 2022, it is expected that first gold production will be achieved during the March quarter 2022. Investigations are advanced with regards to upgrading the milling and flotation capacity to 250tpd.

The company announced the proposed acquisition of the Colosseum Gold Mine from a subsidiary of Barrick Gold in May 2021, with the acquisition being finalised during the reporting period.

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 compiled and digitised a significant modern database of information relating to Colosseum, predominantly from hardcopy plans or sections. Little to no modern exploration has occurred at Colosseum since the cessation of mining in 1993. Over 386 drillholes and 35,352 assays were added to the database during the reporting period.

Also at Colosseum, during the reporting period, the company identified indicators for rare earth element (REE) mineralisation within the claim area. Colosseum is located ~8km to the northwest of the Mountain Pass Rare Earth Mine, the only operational REE mine in the US. Rare earth specialists have been to site and recommended a mapping and sampling program to assist with exploration targeting. This program is planned for H1 2022.

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.

4. REVIEW OF OPERATIONS AND ACTIVITIES

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

FINANCIAL RESULTS

The financial results of the Company for the half year ended 31 December 2021 are:

	31-Dec-21	30-Jun-21
Cash & Cash equivalents (\$)	485,470	7,092,069
Net Assets (\$)	14,727,738	14,548,991

	31-Dec-21	31-Dec-20
Revenue (\$)	-	755
Net Loss After Tax (\$)	(4,925,094)	(1,104,090)
Loss per Share (Cents)	(1.15)	(0.34)
Dividend (\$)	-	-

5. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

6. SIGNIFICANT MATTERS AFTER BALANCE DATE

The impact of the COVID-19 pandemic is ongoing. Management is closely monitoring the evolution of this pandemic and the response of the governments, particularly restrictions in place to contain this virus and how this will impact the Group and the economy, as a whole.

The Group has continued to operate in accordance with its plans up to the date of this report and management believes it will continue to do so even though the extent of the impact COVID-19 may have on its future liquidity, financial performance and position and operations is uncertain and cannot be reasonably estimated at the date these financial statements were issued.

In January 2022 the company borrowed an additional USD3m from its USA based bankers. The loan is repayable over a 10-year period and has an interest rate of 6% per annum.

In February 2022, the company has commenced producing gold concentrate for sale and is assessing offers to purchase the concentrate from various parties that are both end users and brokers.

Also in February 2022, the company decided to upgrade milling capacity to 250tpd at from the current 100tpd at the Lucky Strike Mill. The upgrade is expected to be complete by June 2022.

No other matter or event has arisen since 31 December 2021 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
16 March 2022

Auditor's Independence Declaration

To the directors of Dateline Resources Limited:

As lead auditor for the review of the financial report of Dateline Resources Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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



**Sydney, NSW
16 March 2022**

**M D Muller
Director**

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Liability limited by a scheme approved under Professional Standards Legislation.

DATELINE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	<u>31-Dec-21</u>	<u>31-Dec-20</u>
		\$	\$
Continuing operations			
Revenue		-	755
Other income		167,930	-
Exploration expenditure		(697,929)	(89,831)
Employment expenses		(854,961)	(224,754)
Finance charges		(648,510)	(411,107)
Exchange gain (loss)		(228,256)	615,315
Administration expenses	4	(2,663,368)	(992,466)
Loss on sale of assets		-	(2,002)
Loss from continuing operations before income tax		<u>(4,925,094)</u>	<u>(1,104,090)</u>
Income tax expense		-	-
Loss from continuing operations after income tax		<u>(4,925,094)</u>	<u>(1,104,090)</u>
Other comprehensive income (loss)			
Foreign Currency Translation Reserve		<u>(184,826)</u>	<u>40,781</u>
Total comprehensive loss for the period		<u>(5,109,920)</u>	<u>(1,063,309)</u>
Loss for the period is attributable to:			
Owners of the Company		<u>(4,925,094)</u>	<u>(1,104,090)</u>
		<u>(4,925,094)</u>	<u>(1,104,090)</u>
Total comprehensive loss for the period attributable to:			
Owners of the Company		<u>(5,109,920)</u>	<u>(1,063,309)</u>
		<u>(5,109,920)</u>	<u>(1,063,309)</u>
		<u>Cents</u>	<u>Cents</u>
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share – cents per share	11	(1.15)	(0.34)

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

DATELINE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	<u>31-Dec-21</u>	<u>30-Jun-21</u>
		\$	\$
Current Assets			
Cash & cash equivalents		485,470	7,092,069
Trade & other receivables		144,882	355,614
Financial assets		<u>1,097,377</u>	<u>393,961</u>
Total Current Assets		<u>1,727,729</u>	<u>7,841,644</u>
Non-Current Assets			
Financial Assets		1,060,971	663,834
Plant & equipment land & buildings	5	16,935,906	16,989,702
Exploration & evaluation expenditure	6	<u>13,954,193</u>	<u>8,531,559</u>
Total Non-Current Assets		<u>31,951,070</u>	<u>26,185,095</u>
TOTAL ASSETS		<u>33,678,799</u>	<u>34,026,739</u>
Current Liabilities			
Trade & other payables	7	7,247,517	1,462,525
Loans from related parties	8	<u>409,761</u>	<u>-</u>
Total Current Liabilities		<u>7,657,278</u>	<u>1,462,525</u>
Non-Current Liabilities			
Trade & other payables	7	5,958	5,934,953
Long term loan		9,435,594	9,091,718
Loans from related parties	8	<u>1,852,231</u>	<u>2,988,552</u>
Total Non-Current Liabilities		<u>11,293,783</u>	<u>18,015,223</u>
TOTAL LIABILITIES		<u>18,951,061</u>	<u>19,477,748</u>
NET ASSETS		<u>14,727,738</u>	<u>14,548,991</u>
Equity attributable to the equity holders of the Company			
Contributed equity	9	41,901,858	36,942,050
Reserves	10	1,070,145	926,112
Accumulated losses		<u>(28,244,265)</u>	<u>(23,319,171)</u>
TOTAL EQUITY		<u>14,727,738</u>	<u>14,548,991</u>

The above Consolidated Statement of Financial Position
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 2021

	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

	Issued Capital	Accumulated Losses	Option Valuation Reserve	Share Based Payments Reserve	Foreign Currency Reserve	TOTAL
	\$	\$	\$	\$	\$	\$
Balance as at 1 July, 2020	34,646,621	(17,636,603)	211,830	-	(661,503)	16,560,345
Total Loss	-	(1,104,090)	-	-	-	(1,104,090)
Total other comprehensive income	-	-	-	-	40,781	40,781
Total comprehensive Loss for the Period	-	(1,104,090)	-	-	40,781	(1,063,309)
<i>Transaction with owners in their capacity as owners</i>						
Options expired	-	211,830	(211,830)	-	-	-
Options issued	-	-	19,000	-	-	19,000
Balance as at 31 December 2020	34,646,621	(18,528,863)	19,000	-	(620,722)	15,516,036

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 2021

	<u>31-Dec-21</u>	<u>31-Dec-20</u>
	\$	\$
Cash flows used in operating activities		
Interest paid	(314,207)	-
Payment to suppliers and employees	(3,885,947)	(882,783)
Net cash flows used in operating activities	<u>(4,200,154)</u>	<u>(882,783)</u>
Cash flows used in investing activities		
Deposits and loans (made)/repaid	(1,102,270)	45,804
Payment for fixed assets	(289,222)	-
Payment for exploration & evaluation expenditure	(5,114,759)	(71,923)
Net cash flows used in investing activities	<u>(6,506,251)</u>	<u>(26,119)</u>
Cash flows from/(used in) financing activities		
Repayment loan advance	-	(72,366)
Transaction costs relating to shares	(300,194)	-
Proceeds from issue of shares	4,100,000	-
Advance of related party loans	300,000	1,000,000
Net cash flows from /(used in) financing activities	<u>4,099,806</u>	<u>927,634</u>
Net increase/(decrease) in cash and cash equivalents	(6,606,599)	18,732
Cash and cash equivalents at beginning of period	<u>7,092,069</u>	<u>158,362</u>
Cash and cash equivalents at end of period	<u><u>485,470</u></u>	<u><u>177,094</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 2021 to 31 December 2021 (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 16 March 2022.

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 2021 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 2021. 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 \$5,109,920 (2020: \$1,063,309 loss) a net cash outflow of \$6,606,599 (2020: \$18,732 outflow) and net cash out flow from operations of \$4,200,154 (2020: \$882,783). The net cash inflow from financing activities during the period was \$4,099,806 (2020: \$0). As at 31 December 2021, the consolidated entity also had a deficiency in working capital of \$5,929,549 (June 2021: \$6,379,119 surplus in working capital) and cash assets of \$485,470 (June 2021: \$7,092,069).

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 plans 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 future expenditure required to meet its objectives. These include:

- the finalisation in January 2022 of a US\$3,000,000 loan facility at 6% p.a. interest rate which is repayable over a 10 year period
- the company has commenced commissioning the Lucky Strike mill and is processing low grade development ore from the 9900r1 mineralised zone from the Gold Links mine (refer Note 16)

We believe as a result of the above, the Company is well placed 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. Should the Company not be able to execute its corporate strategy there will be a material uncertainty that exists relating to events or conditions that may cast significant doubt on an entity's ability to continue as a going concern. 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	
	A\$	A\$	A\$	Entries	TOTAL
				A\$	A\$
31 December 2021					
Revenues	-	-	-	-	-
Segment Result	(1,729,261)	(3,195,833)	-	-	(4,925,094)
31 December 2020					
Revenues	-	-	-	-	-
Segment Result	(234,510)	(288,610)	-	(580,970)	(1,104,090)
31 December 2021					
Total Segment Assets	45,307,085	30,065,580	4,477,348	(46,171,214)	33,678,799
Total Segment Liabilities	10,966,597	16,191,078	5,233,271	(13,439,885)	18,951,061
30 June 2021					
Total Segment Assets	40,912,364	27,683,210	4,457,293	(39,026,128)	34,026,739
Total Segment Liabilities	10,131,282	10,429,005	5,212,265	(6,294,804)	19,477,748

		Consolidated	
		31-Dec-21	31-Dec-20
		\$	\$
4.	ADMINISTRATION EXPENSES		
	Consulting and corporate expenses	1,062,550	456,605
	Compliance and regulatory expenses	57,358	23,361
	Depreciation expenses	346,145	292,974
	Other administration expenses	1,197,315	219,526
	TOTAL ADMINISTRATION EXPENSES	2,663,368	992,466
		31-Dec-21	30-Jun-21
		\$	\$
5.	PLANT & EQUIPMENT LAND & BUILDINGS		
	Carrying amount of Fixed Assets	16,935,906	16,989,702
(a)	Plant & Equipment		
	Cost	53,682	53,682
	Less accumulated depreciation	(53,682)	(53,682)
	Total Plant & Equipment	-	-
	Balance at the beginning of the period	-	-
	Balance at the end of the period	-	-
(b)	Office Equipment		
	At Cost	76,362	69,466
	Less accumulated depreciation	(59,277)	(56,990)
	Total Office Equipment	17,085	12,476
	Movement during the Period		
	Balance at the beginning of the period	12,476	4,128
	Additions	6,896	10,199
	Depreciation expense	(2,287)	(1,851)
	Balance at the end of the period	17,085	12,476
(c)	Mining plant & equipment		
	At Cost	5,240,528	4,959,092
	Less accumulated depreciation	(1,247,025)	(929,913)
	Total mining plant & equipment	3,993,503	4,029,179
	Movement during the Period		
	Balance at the beginning of the period	4,029,179	3,814,262
	Additions	281,436	762,817
	Depreciation expense	(317,112)	(547,900)
	Balance at the end of the period	3,993,503	4,029,179

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
5. PLANT & EQUIPMENT LAND & BUILDINGS (Cont'd)		
(d) Mining & Mill Development		
At Cost	5,375,598	5,375,598
Total Mining & Mill Development	5,375,598	5,375,598
Movement during the Period		
Balance at the beginning of the period	5,375,598	5,375,598
Additions	-	-
Balance at the end of the period	5,375,598	5,375,598
(e) Mining land & buildings		
At Cost	7,425,963	7,425,963
Total Mining land & buildings	7,425,963	7,425,963
Movement during the Period		
Balance at the beginning of the period	7,425,963	7,425,963
Additions	-	-
Balance at the end of the period	7,425,963	7,425,963
(f) Furniture & Fixtures		
At Cost	6,651	5,761
Less accumulated depreciation	(3,127)	(2,590)
Total Furniture & Fixtures	3,524	3,171
Movement during the period		
Balance at the beginning of the period	3,171	8,918
Additions	890	-
Disposals	-	(4,757)
Depreciation expense	(537)	(990)
Balance at the end of the period	3,524	3,171
(g) Motor Vehicles		
At Cost	186,722	186,722
Less accumulated depreciation	(66,489)	(43,407)
Total Motor Vehicles	120,233	143,315
Movement during the period		
Balance at the beginning of the period	143,315	65,447
Additions	-	107,643
Depreciation expense	(23,082)	(29,775)
Balance at the end of the period	120,233	143,315

	Consolidated	
	31-Dec-21	30-Jun-21
	\$	\$
6. EXPLORATION & EVALUATION EXPENDITURE		
Carrying amount of exploration expenditure	13,954,193	8,531,559
Movement during the Period		
Balance at the beginning of the Period	8,531,559	8,357,959
Expenditure incurred during the Period	5,422,634	173,600
Balance at the end of the Period	13,954,193	8,531,559

The ultimate recoupment of the costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively, the sales of the respective area of interest. The Board has reviewed the situation and the status of the exploration assets and considers that their carrying value is appropriate and recoverable as at 31 December 2021.

7. TRADE & OTHER LIABILITIES		
Current		
Trade and sundry creditors	983,636	1,407,523
Amount owed to the vendors of ALSH LLC	3,131,558	-
Amount owed to the vendors of CRG Mining LLC	3,131,558	-
Accruals	765	55,002
	<u>7,247,517</u>	<u>1,462,525</u>
Non-Current		
Amount owed to the vendors of ALSH LLC	-	2,875,880
Amount owed to the vendors of CRG Mining LLC	-	2,875,880
PPP Loan Liability	-	161,496
Other loans	5,958	21,697
	<u>5,958</u>	<u>5,934,953</u>

The vendor amount above of \$6,263,116 (June 2021 \$5,751,760) was arrived at after applying an annual discount rate of 10% to future payments which are all payable on 31 December 2022.

8. LOANS FROM RELATED PARTIES		
Current		
Amounts owed to Mr Mark Johnson	409,761	-
Total current loans from shareholders	<u>409,761</u>	<u>-</u>
Non-Current		
Amounts owed to Mr. Mark Johnson	1,852,231	2,988,552
Total non-current loans from shareholders	<u>1,852,231</u>	<u>2,988,552</u>

- The amount owed to Mr. Johnson of \$2,261,992 (30 June 2021 \$2,988,552) represents unsecured loans including interest. Details of these loans are included in Note 12. Interest of \$51,797 (Dec 2020: \$92,433) was charged on the loans during the period.



9. CONTRIBUTED EQUITY

(a) Share Capital

	<u>31-Dec-21</u>	<u>30-Jun-21</u>
Ordinary Capital		
Number of Shares	437,931,755	380,776,200
Paid Up	\$41,901,860	\$36,942,050

(b) Movements in Share Capital

		<u>Number of Shares</u>	<u>\$</u>
01 Jul 2021	Opening Balance	380,776,200	36,942,050
14 Jul 2021	Issue of shares	600,000	60,000
30 Jul 2021	Issue of shares	42,133,333	3,491,810
02 Aug 2021	Issue of shares	11,000,000	1,100,000
05 Oct 2021	Issue of shares	3,422,222	308,000
	Closing Balance	<u>437,931,755</u>	<u>41,901,860</u>



10. RESERVES

	Consolidated	
	<u>31-Dec-21</u>	<u>30-Jun-21</u>
	\$	\$
Option Valuation Reserve	599,020	270,161
Share Based Payments Reserve	1,302,939	1,302,939
Foreign Currency Translation Reserve	(831,814)	(646,988)
	<u>1,070,145</u>	<u>926,112</u>

Option Valuation Reserve

19,704,184 unlisted options were issued on 11 December 2020

As at 31 December 2021 \$211,125 has been recognised in the Options Valuation Reserve

6,000,000 unlisted options were issued on 26 March 2021

4,000,000 unlisted options were issued on 26 March 2021

As at 31 December 2021 \$30,734 has been recognised in the Options Valuation Reserve

7,000,000 unlisted options were issued on 30 July 2021

As at 31 December 2021 \$357,161 has been recognised in the Options Valuation Reserve

Foreign Currency Translation Reserve

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

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. Stephen Baghdadi : 16,420,156 and Mr. Bill 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 value of these was assessed by Directors based on information including an independent valuation (using an option pricing model) at \$1,302,939 and are recorded in the Share Based Payments Reserve

The directors have not elected to repay the loan or exercised their rights to acquire company shares during the period and they continue to be directors of the company at 31st December 2021.



11. EARNINGS PER SHARE

	Consolidated Six Months ended 31-Dec-21	Six Months ended 31-Dec-20
Basic and diluted loss per share (cents)	1.15	0.34
Net loss used to calculate earnings loss per share	(\$4,925,094)	(\$1,104,090)
Weighted average	427,673,832	328,403,127

On 27 May 2021 the Company completed a 25 to 1 consolidation of issued shares

12. RELATED PARTY DISCLOSURES

As at 31 December 2021 there were loans outstanding to related party Mr. Mark Johnson as follows

- Short term advance of \$300,000 on 31 December 2021. Interest payable at 5% pa
- During the period \$1,100,000 of Convertible Notes were converted into shares at 10 cents per share. As at 31 December 2021 the balance of Convertible Notes (including interest accruing at 5%) was \$1,961,992.

As at 31 December 2021 loans totalling \$52,365 were owed by related party Southern Cross Exploration NL.

13. DIVIDEND

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

14. COMMITMENTS

Exploration & Evaluation Commitments

	31-Dec- 21	30-Jun- 21
	\$	\$
Within one year	-	-
After one year but not more than five years	-	-
After more than five years	-	-
Total minimum commitment	<u>-</u>	<u>-</u>

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

15. CONTINGENT LIABILITIES

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

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

Royalties payable to the previous owner of Gunnison Property

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

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

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

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

The maximum percentage payable is capped at 7%.

Minimum payment if no production occurs

If no production is 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 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.

16. SIGNIFICANT MATTERS AFTER BALANCE DATE

The impact of the COVID-19 pandemic is ongoing. Management is closely monitoring the evolution of this pandemic and the response of the governments, particularly restrictions in place to contain this virus and how this will impact the Group and the economy, as a whole.

The Group has continued to operate in accordance with its plans up to the date of this report and management believes it will continue to do so even though the extent of the impact COVID-19 may have on its future liquidity, financial performance and position and operations is uncertain and cannot be reasonably estimated at the date these financial statements were issued.

In January 2022 the company borrowed an additional USD3m from its USA based bankers. The loan is repayable over a 10-year period and has an interest rate of 6% per annum.

The company has commenced commissioning the Lucky Strike mill and is processing low grade development ore from the 9900rl mineralised zone from the Gold Links mine

Also in February 2022, the company decided to upgrade milling capacity to 250tpd at from the current 100tpd at the Lucky Strike Mill. The upgrade is expected to be complete by June 2022.

No other matter or event has arisen since 31 December 2021 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.

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 2021 and the performance for the period 1 July 2021 to 31 December 2021 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
16 March 2022

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 2021, 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 2021 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 \$4,925,094 during the period ended 31 December 2021 and, as of that date, the current liabilities exceeded its current assets by \$5,929,549. 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.

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Auditor's Responsibility for the Review of the Financial Report

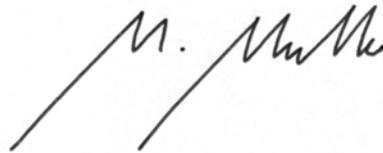
Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 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.



HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

Sydney, NSW
16 March 2022



M D Muller
Director