ABN 63 149 105 653

**AUDITED FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30 June 2023**

# CONTENTS

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

**Registered Office**
Level 29
2 Chifley Square
Sydney NSW 2000

**Postal Address**
Level 29, 2 Chifley Square
Sydney NSW 2000
T: +61 (02) 9375 2353
E-mail: info@datelineresources.com.au
Website: www.datelineresources.com.au

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

**Australian Business Number**
ABN 63 149 105 653

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

**Auditors**
DFK Laurence Varnay Auditors Pty Ltd
Level 22, 222 Pitt Street
Sydney NSW 2000
Website: www.dfklv.com.au

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

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

**Domicile and Country of Incorporation**
Australia

The Company's Corporate Governance Statement can be found on the Company's website www.datelineresouces.com.au

The Directors submit their report on the consolidated entity ("the Group"), which consists of Dateline Resources Limited (the "Company" or "Dateline") and the entities it controlled during the financial year ended 30 June 2023.

## 1. INFORMATION ON DIRECTORS

The names and details of the Group's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

**Mr Mark Johnson AO**
**Non-Executive Chairman (Appointed 22 April 2013)**
**LLB MBA (Harvard)**

Mr Johnson has worked in banking and corporate finance for more than forty years. He retired as Deputy Chairman of Macquarie Bank in mid-2007 and now divides his time between work in the private and public sectors.

Mr Johnson is a senior adviser to Gresham Partners, and from 2002 to 2013 one of the three Australian members of the APEC Business Advisory Council (ABAC).

During the past three years, Mr Johnson held the following directorships in other ASX listed companies: NIL

**Stephen Baghdadi**
**Managing Director and CEO (Appointed 3 July 2014)**

Since 1993 Mr. Baghdadi has acted as an executive director for numerous ASX listed companies including the Horizon group of companies, Afro-West, Alamain Investments, Marino as well as privately held controlling interests in manufacturing, software development and property concerns. Mr. Baghdadi has completed several transactions in Australia, South East Asia, Europe and North America and brings to the table the ability to identify an undervalued asset or opportunity that has the potential to yield high returns

During the past three years, Mr Baghdadi held the following directorships in other ASX listed companies: NIL

**Mr Gregory Hall**

**Non-Executive Director (Appointed 19 January 2015)**
**B. Applied Geology (1st Class Honours)**

Mr Hall is an exploration geologist with over 50 years of international experience. From 1988-2006, he was employed by the Placer Dome group of companies, serving as Chief Geologist -World Wide during the last five years he was there.

Placer Dome was later acquired by Barrick Gold Corporation in early 2006.

Over the course of his career, Mr. Hall had a senior role in the discoveries of both Gold Field's Granny Smith mine and Rio Tinto's Yandi iron ore mine. In addition, he took part in the discoveries of Keringal and Wallaby gold mines in Australia's Eastern Goldfields, as well as the definition of AngloGold Ashanti's Sunrise gold mine.

During the past three years, Mr Hall held the following directorships in other ASX listed companies:

- Non-Executive Chairman of Greater Boulder Resources Limited (current);

**Mr Anthony Ferguson**
**Non-Executive Director (Appointed 29 August 2019)**
**MBA (Dist), B.Sc, B.E (Hons)**

Mr Ferguson is an investor, entrepreneur and an investment banker.

The majority of Mr. Ferguson's career was with Macquarie Group where he established and led the natural resources team that advised on many major transactions in the mining industry. He established Macquarie's presence in Canada, headed Macquarie's Asian investment banking operations, established and led the Asia Resources Fund. Mr. Ferguson's career included three years as Managing Director and Head of Investment Banking at Rothschild Australia and a Global Partner of Rothschild Investment Bank.

Before commencing his investment banking career Tony practiced as an engineer and worked at Rio Tinto's Woodlawn Mine.

During the past three years, Mr Ferguson held the following directorships in other ASX listed companies: NIL

**Mr Francis William Lannen**
**Non-Executive Director (Appointed 15 January 2021)**
**B.E (Mining)(Hons)**

Mr Lannen is a Mining Engineer with a Bachelor of Engineering (Mining) Honours, from the University of Sydney and holds statutory qualifications as a Mine Manager of underground and open pit mines in both NSW and Tasmania.

Mr. Lannen's early career was with Aberfoyle Ltd where he worked in both technical and operating rolls at Cleveland Tin, Ardlethan Tin and the Melbourne head office. His last project was to take the Hellyer base metal mine in Tasmania from feasibility to full production as the mine manager.

In 1990, Mr. Lannen started Mancala Pty Ltd, a specialist mining contractor and mine engineering group and managed Mancala's operations for over 25 years. As a mine contractor, Mancala has successfully completed projects in both metalliferous and coal in Australia and offshore. Projects have included whole of mine contracts in open pit and underground as well as specialist contracts in the development and recovery of shafts. Several key projects involved mechanized mining of narrow vein deposits.

During the past three years, Mr Lannen held the following directorships in other ASX listed companies: NIL

## 2. INFORMATION ON COMPANY SECRETARY

**Mr John Smith**
**(Appointed 5 October 2022)**
**B. Com, MBA, FCPA**

Mr Smith is a Certified Practicing Accountant with over 40 years' experience as CFO and Company Secretary of ASX listed and unlisted companies.

**Mr Mark Ohlsson**
**(Appointed 1 November 2021 – resigned 5 October 2022)**
**FCPA, Registered Tax Agent**

Mr Ohlsson has been a Company Secretary or Director of a number of ASX-listed companies and his experience spans a wide range of industries. He has been involved in business management and venture capital for over 40 years.

## 3. DIRECTORS' SHAREHOLDINGS

The following table sets out each current Director's relevant interest in shares and rights or options to acquire shares of the Company as at the date of this report.

| Directors | Fully Paid Ordinary Shares | Unlisted Share Options |
|---|---|---|
| Mark Johnson | 121,629,633 | 4,926,046 |
| Stephen Baghdadi | 46,894,119 | 4,926,046 |
| Gregory Hall | 4,349,995 | 4,926,046 |
| Tony Ferguson | 21,378,333 | 4,926,046 |
| Bill Lannen | 4,713,023 | - |
| | **198,965,103** | **19,704,184** |

## 4. DIRECTORS' MEETINGS

| Directors | Number Eligible to Attend | Number Attended |
|---|---|---|
| Mark Johnson | 9 | 9 |
| Stephen Baghdadi | 9 | 9 |
| Gregory Hall | 9 | 9 |
| Tony Ferguson | 9 | 9 |
| Bill Lannen | 9 | 9 |

Functions normally assigned to an Audit Committee and Remuneration Committee are undertaken by the full Board.

## 5. DIVIDENDS

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

## 6. PRINCIPAL ACTIVITIES

Dateline Resources Limited (ASX: DTR) is an Australian publicly listed company focused on mining and exploration in North America. The Company owns 100% of the Colosseum Gold-REE Project in California.

The Colosseum Mine is located in the Walker Lane Trend in East San Bernardino County, California. On July 6, 2022, the Company announced to the ASX that the Colosseum Gold mine has a JORC-2012 compliant Mineral Resource estimate of 20.9Mt @ 1.2g/t Au for 813,000oz. Of the total Mineral Resource, 258koz @1.2g/t Au (32%) are classified as Measured, 322koz @1.2g/t Au (39%) as Indicated and 235koz @1.3g/t Au (29%) as Inferred.

The Colosseum is located less than 10km north of the Mountain Rare Earth mine. Work has commenced on identifying the source of the mantle derived rocks that are associated with carbonatites and are located at Colosseum. A comprehensive mapping, sampling and gravity survey has located several REE targets that are ready to be drill tested.

Dateline has recently executed a binding term sheet for the acquisition of an 80% interest in the Argos Strontium project and is moving towards concluding formal due diligence and finalizing of legal documentation.

## 7. FINANCIAL REVIEW

### (a) Financial Performance & Financial Position

The financial results of the Group for the year ended 30 June 2023 and 2022 are:

| | 30-Jun-23 | 30-Jun-22 | % Change |
|---|---|---|---|
| Cash & Cash equivalents ($) | 928,940 | 1,936,037 | -52.0% |
| Net Assets ($) | 11,063,873 | 10,588,842 | 4.5% |
| Revenue ($) | 858,199 | - | - |
| Net Profit (Loss) After Tax ($) | (11,123,199) | (13,904,468) | 20.0% |
| Profit/(Loss) per Share (Cents) | (1.88) | (3.29) | 43.0% |
| Dividend ($) | - | - | - |

### (b) Business Strategies and Prospects for future financial years

The Group actively evaluates the prospects of each project as results from each program become available, these results are available via the ASX platform for shareholders information. The Group then assesses the continued exploration expenditure and further asset development. The Group will continue the evaluation and development of its existing mineral projects.

There are specific risks associated with the activities of the Group and general risks which are largely beyond the control of the Group and the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Group and the market price of the Company's shares.

*(i) Operating Risks*

The operations of the Group may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

*(ii) Permitting and Regulatory Risks*

Mineral exploration and commercialization activities are subject to diverse regulatory and permitting frameworks across different jurisdictions. These frameworks introduce potential risks, as regulatory changes, permitting delays, or non-compliance can impact project timelines and viability.

*(iii)Environmental Risks*

The operations and proposed activities of the Group are subject to the laws and regulations of Australia, the USA and the Republic of Fiji concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

*(iv) Economic*

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Group's exploration, development and production activities, as well as on its ability to fund those activities.

*(v) Market conditions*

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

i. general economic outlook;
ii. introduction of tax reform or other new legislation;
iii. interest rates and inflation rates;
iv. Commodity prices;
v. changes in investor sentiment toward particular market sectors;
vi. the demand for, and supply of, capital; and
vii. terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

## 8. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 13 June 2023, the Company announced that it had executed a binding agreement with MW Sorter LLC for the sale of Gunnison Gold Pty Ltd, the entity that owns all of the Colorado assets including the Gold Links and Lucky Strike mill. Consideration for the sale will be paid in accordance with the details below and transfer of ownership will take place after regulatory approval has been obtained. The transaction values and payment schedules are listed below and are not affected by the timing of any regulatory approval process.

**Cash Consideration**

- US$325,000 (A$500,000) cash payments received to date.
- US$500,000 (A$770,000) on August 7, 2023
- US$500,000 (A$770,000) on October 6, 2023
- US$500,000 (A$770,000) on December 5, 2023
- US$450,000 (A$690,000) on February 3, 2024

**Performance Payments**

- US$2 million (A$3.08m) cash upon the production of the first ounce of gold at the Lucky Strike mill.
- US$500k (A$770k) cash upon the production of 500 ounces of gold in a continuous seven (7) day period at the Lucky Strike mill.
- US$1 million (A$1.54m) cash upon the production of 2,000 ounces of gold in a continuous seven (30) day period at Lucky Strike mill.
- US$2 million (A$3.08m) cash upon the production of 32,000 ounces of gold in a continuous twelve (12) month period at the Lucky Strike mill.

**Novation of Liabilities**

- Bank liabilities of approximately US$9.6 million (A$14.77m) will remain with the USA subsidiaries of Gunnison Gold Pty Ltd. Dateline will have no further obligations to service or repay that debt.
- Approximately US$2.2 million (A$3.4m) in trade creditors and equipment lease liabilities will remain with the USA subsidiaries of Gunnison Gold Pty Ltd. Dateline will have no further obligations to service or repay those amounts.
- Dateline will have no ongoing obligations for any environmental or other commitments.

## 9. AFTER BALANCE SHEET DATE EVENTS

On 5 July 2023, the Company announced that it had executed a binding term sheet with Western Strontium to acquire an 80% interest in the Argos Strontium Project located approximately 100 kilometers from its flagship Colosseum Gold and Rare Earths project in San Bernardino, California, USA.

**Acquisition Terms**

Dateline and Western Strontium have agreed to establish a new entity (Newco) to hold the four patented claims that comprise the Argos Strontium Project. The consideration payable to Western Strontium for the 80% interest that Dateline will own in Newco is as follows:

**Shares & Options**

- Five million ordinary shares in Dateline Resources Limited
- Ten million, three year unquoted options, allowing Western Strontium to purchase ordinary shares at 3 cents per share.

The above shares and options will be made available from Dateline's existing share capacity under Listing Rule 7.1

**Cash Payments**

- USD $100,000 payable 90 days from date of completion (First Payment Date);
- USD $150,000 on the date that is six months from the First Payment Date;
- USD $150,000 on the date that is 12 months from the First Payment Date;
- USD $150,000 on the date that is 18 months from the First Payment Date.

Western Strontium will maintain a 20% carried interest in the project via its 20% shareholding of Newco.

On 11 August 2023 the Company announced the issue of 28,571,428 fully paid ordinary shares raising $600,000 (before costs) at $0.021 per new share and 5,714,286 accompanying unquoted options with an exercise price of $0.03 with an expiry of 9 August 2026.

No other matter or event has arisen since 30 June 2023 that would be likely to materially affect the operations of the Group, or the state of affairs of the Company not otherwise disclosed in the Group's financial report.

## 10. ENVIRONMENTAL ISSUES

The Group needs to comply with environmental regulations at the sites where it has exploration activities. The Board is not aware of any breach of environmental requirements as they apply to the Group.

## 11. REMUNERATION REPORT (Audited)

The Board of Dateline Resources Limited is responsible for determining and reviewing the remuneration of the Directors of the Company, within parameters approved by shareholders. No performance hurdles have been imposed so far, due to the size of the Group and the structure of the remuneration in respect of the non-executive Directors. Remuneration is not related to the company's financial performance. Accounting and administration services were provided by consultants at reasonable commercial rates.

The Company's Key Management Personnel comprise all of the Directors.

Company Secretarial services were provided by Mr. J Smith and Mr. M Ohlsson.

Remuneration of executives and consultants, whenever appointed, is determined by market conditions and is not linked to the Group's performance. There are no service agreements in place relating to Directors' fees paid.

No equity based payments or other benefits were paid to Directors or consultants during the year under review; no shares or options were issued by way of remuneration.

| Directors | Position | Duration of Appointment |
|---|---|---|
| Mark Johnson | Non-Executive Chairman | Appointed 22 April 2013 |
| Stephen Baghdadi | Managing Director | Appointed 4 July 2014 |
| Gregory Hall | Non-Executive Director | Appointed 19 January 2015 |
| Tony Ferguson | Non-Executive Director | Appointed 29 August 2019 |
| Bill Lannen | Non-Executive Director | Appointed 15 January 2021 |

Details of remuneration of the KMP of Dateline Resources Limited are shown below:

| | Position | 2023 | 2022 |
|---|---|---|---|
| Mr Johnson | Director | $45,000 | - |
| Mr Johnson | Consultant | - | - |
| Mr Baghdadi | Director | - | - |
| Mr Baghdadi | Consultant | $480,000 | $480,000 |
| Mr Hall | Director | $45,000 | - |
| Mr Hall | Consultant | - | - |
| Mr Ferguson | Director | $45,000 | - |
| Mr Ferguson | Consultant | - | - |
| Mr Lannen | Director | $45,000 | - |
| Mr Lannen | Consultant | - | - |
| | **Total** | $660,000 | $480,000 |

It should be noted that the $45,000 paid to each non-executive director in the year ended 30 June 2023, was via the issuance of shares and not a cash payment.

Dateline Resources Limited, as an ASX listed company, has produced the Remuneration Report in accordance with Section 300A of the Corporations Act 2001.

**Key management personnel holdings**

**(i) UNLISTED OPTIONS OF KMP'S**

Details of unlisted options held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2023 are set out below. There were no unlisted options issued or held by key management personnel in the year ended 30 June 2023.

| Company Directors and Related Parties | Opening Balance | Received as Remuneration | Exercise of Options | Net Change Other | Closing Balance |
|---|---|---|---|---|---|
| Mr Johnson | 4,926,046 | - | - | 500,000- | 5,426,046 |
| Mr Baghdadi | 4,926,046 | - | - | - | 4,926,046 |
| Mr Hall | 4,926,046 | - | - | - | 4,926,046 |
| Mr Ferguson | 4,926,046 | - | - | 500,000- | 5,426,046 |
| | 19,704,184 | - | - | 1,000,000- | 20,704,184 |

**(ii) NON RECOURSE LOANS OF KMP'S**

During the 2021 year, there were Non-Recourse Loans issued to 2 Directors (and approved by shareholders at a General meeting held on 21 May 2021 which under AASB2 are considered to be options. These amounts are listed below.

| Company Directors and Related Parties | Opening Balance | Received as Remuneration | Exercise of Options | Net Change Other | Closing Balance |
|---|---|---|---|---|---|
| Mr Baghdadi | 1,132,990 | - | - | - | 1,132,990 |
| Mr Lannen | 169,949 | - | - | - | 169,949 |
| | 1,302,939 | - | - | - | 1,302,939 |

**(iii) SHAREHOLDINGS OF KMP'S**

Details of shares held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2023 are set out below.

| Company Directors and Related Parties | Opening Balance | Received as Remuneration | Exercise of Options | Net Change Other | Closing Balance |
|---|---|---|---|---|---|
| Mr Johnson | 96,394,958 | 2,250,000 | - | 22,984,675 | 121,629,633 |
| Mr Baghdadi | 26,078,541 | - | - | 20,815,578 | 46,894,119 |
| Mr Hall | 2,099,995 | 2,250,000 | - | - | 4,349,995 |
| Mr Ferguson | 9,011,111 | 2,250,000 | - | 10,117,222 | 21,378,333 |
| Mr Lannen | 2,463,023 | 2,250,000 | - | - | 4,713,023 |
| | 136,047,628 | 9,000,000 | - | 53,917,475 | 198,965,103 |

Details of shares held directly, indirectly or beneficially by key management personnel and their related parties at any time during the financial year ended 30 June 2022 are set out below:

| Company Directors and Related Parties | Opening Balance | Received as Remuneration | Exercise of Options | Net Change Other | Closing Balance |
|---|---|---|---|---|---|
| Mr Johnson | 75,775,038 | - | - | 20,619,920 | 96,394,958 |
| Mr Baghdadi | 19,692,430 | - | - | 6,386,111 | 26,078,541 |
| Mr Hall | 2,099,995 | - | - | - | 2,099,995 |
| Mr Ferguson | 7,900,000 | - | - | 1,111,111 | 9,011,111 |
| Mr Lannen | 2,463,023 | - | - | - | 2,463,023 |
| | 107,930,486 | - | - | 28,117,142 | 136,047,628 |

As the Company is not yet in the production phase, and therefore, not generating revenue, there is no direct link between performance and shareholder wealth.

The adoption of the Remuneration Report for the financial year ended 30 June 2022 was put to the shareholders of the Company at the Annual General Meeting held 29 November 2022. The resolution was passed by a poll of shareholders without amendment. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of remuneration report.

## 12. OPTIONS

At the date of this report, there were 145,879,184 unlisted options as depicted below:

| Number | Exercise Price | Expiry Date |
|---|---|---|
| 5,000,000 | $0.1000 | 30 Jun 2024 |
| 2,000,000 | $0.2000 | 30 Jun 2024 |
| 1,000,000 | $0.1500 | 30 Jun 2024 |
| 2,000,000 | $0.1300 | 30 Jun 2024 |
| 11,937,500 | $0.1350 | 14 Oct 2025 |
| 15,587,500 | $0.1350 | 19 Dec 2025 |
| 75,100,000 | $0.0300 | 12 May 2026 |
| 13,550,000 | $0.0300 | 18 May 2026 |
| 19,704,184 | $0.0958 | 11 Dec 2024 |
| 145,879,184 | | |

19,704,184 options are vesting in 3 equal tranches. The first at a production rate of 30k tonnes p.a. The second upon proven JORC reserve of 60k tonnes and the third at a production rate of 60k tonnes p.a.

## 13. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purposes of taking responsibility on behalf of the Group for all or part of those proceedings.

## 14. INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year no premium was paid to insure Directors against claims while acting as a Director. No indemnity has been granted to the Auditor of the Company.

## 15. NON-AUDIT SERVICES

No non-audit services were provided by DFK Laurence Varnay Auditors Pty Ltd to the Group during the financial year.

## 16. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the financial year ended 30 June 2023 has been received and can be found on page 11.

Signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001.*

Mark Johnson.

**Mr Mark Johnson**
**Non-Executive Chairman**
**28 September 2023**

**Dateline Resources Limited**
**ABN: 63 149 105 653**

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

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2023, there have been:

i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. No contraventions of any applicable code of professional conduct in relation to the audit.

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

**DFK Laurence Varnay Auditors Pty Ltd**

**Faizal Ajmat**
**Director**
Sydney
Dated: 28th day of September 2023





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DFK Laurence Varnay Auditors Pty Ltd
ABN 75 648 004 595

| | Note | 30-Jun-23 | 30-Jun-22 |
|---|---|---|---|
| | | $ | $ |
| **Continuing operations** | | | |
| Revenue from operations | | 858,199 | |
| Other income | **5** | - | 169,686 |
| Profit on sale of asset | | - | 48,561 |
| Debts Forgiven | **13** | 7,361,276 | - |
| Unrealised exchange gain/(loss) | | (747,998) | (389,136) |
| Interest expense | | (1,750,954) | (1,503,600) |
| Borrowing costs | | (39,439) | (138,389) |
| Employee and contractor costs | | (5,968,054) | (4,365,653) |
| Mining and exploration expenses | | (4,925,510) | (2,043,347) |
| Depreciation expense | | (1,161,562) | (896,044) |
| Share based payments expense | | - | (316,568) |
| Option valuation expense | | (189,897) | (346,593) |
| Administration expenses | **6** | (4,559,260) | (4,123,385) |
| **Loss from continuing operations before income tax** | | (11,123,199) | (13,904,468) |
| Income tax expense | **7** | - | - |
| **Loss from continuing operations after income tax** | | (11,123,199) | (13,904,468) |
| | | | |
| **Other comprehensive loss** | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Foreign Currency Translation Reserve | | (388,139) | (1,221,719) |
| **Total comprehensive loss for the period** | | (11,511,338) | (15,126,187) |
| | | | |
| **Profit/(loss) for the year is attributable to:** | | | |
| Owners of the Company | | (11,123,199) | (13,904,468) |
| | | (11,123,199) | (13,904,468) |
| **Total comprehensive loss for the year attributable to:** | | | |
| Owners of the Company | | (11,511,338) | (15,126,187) |
| | | (11,511,338) | (15,126,187) |
| | | | |
| **Loss per share from continuing operations attributable to the ordinary equity holders of the Company:** | | Cents | Cents |
| Basic and diluted loss per share – cents per share | **18** | (1.88) | (3.19) |

This Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes

| | Note | 30-Jun-23 | 30-Jun-22 |
|---|---|---|---|
| | | $ | $ |
| **Current Assets** | | | |
| Cash & cash equivalents | **8** | 928,940 | 1,936,037 |
| Trade & other receivables | **9** | 102,943 | 36,659 |
| Inventory | **4** | - | 1,348,251 |
| Financial assets | **10** | 1,935,089 | 661,813 |
| **Total Current Assets** | | 2,966,972 | 3,982,760 |
| **Non-Current Assets** | | | |
| Plant & equipment land & buildings | **11** | 17,890,385 | 18,114,172 |
| Exploration & evaluation expenditure | **12** | 16,243,470 | 15,465,849 |
| Financial Assets | **10** | - | 1,117,725 |
| Right-of-use assets | **19** | 231,638 | 438,796 |
| **Total Non-Current Assets** | | 34,365,493 | 35,136,542 |
| **TOTAL ASSETS** | | 37,332,465 | 39,119,302 |
| **Current Liabilities** | | | |
| Trade & other payables | **13** | 5,009,693 | 9,949,981 |
| Financial liabilities to related parties | **14** | 5,318,474 | 3,283,940 |
| Short term loans | **15** | 1,468,167 | 947,274 |
| Lease liabilities | **20** | 76,886 | 86,185 |
| **Total Current Liabilities** | | 11,873,220 | 14,267,380 |
| **Non Current Liabilities** | | | |
| Financial liabilities to related parties | **14** | 926,560 | 848,071 |
| Long term loan | **15** | 13,263,574 | 13,008,708 |
| Lease liabilities | **20** | 205,238 | 406,301 |
| **Total Non-Current Liabilities** | | 14,395,372 | 14,263,080 |
| **TOTAL LIABILITIES** | | 26,268,592 | 28,530,460 |
| **NET ASSETS** | | 11,063,873 | 10,588,842 |
| **Equity attributable to the equity holders of the Company** | | | |
| Contributed equity | **16(a)** | 58,783,327 | 46,986,850 |
| Reserves | **17** | 335,991 | 825,631 |
| Accumulated losses | | (48,055,445) | (37,223,639) |
| **TOTAL EQUITY** | | 11,063,873 | 10,588,842 |

This Consolidated Statement Financial position is to be read in conjunction with the accompanying notes

DATELINE RESOURCES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

| | Issued Capital | Accumulated Losses | Option Valuation Reserve | Share Based Payments Reserve | Foreign Currency Reserve | TOTAL |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| Balance as at 1 July, 2022 | 46,986,850 | (37,223,639) | 1,137,873 | 1,680,846 | (1,993,088) | 10,588,842 |
| Total loss | - | (11,123,199) | - | - | - | (11,123,199) |
| Total other comprehensive income | - | - | - | - | (388,139) | (388,139) |
| Total comprehensive loss for the year | - | (11,123,199) | - | - | (388,139) | (11,511,338) |
| *Transactions with owners in their capacity as owners :* | | | | | | |
| Options Expired | - | 291,392 | (291,392) | - | - | - |
| Options issued | - | - | 189,892 | - | - | 189,892 |
| Contributions of equity | 11,796,477 | - | - | - | - | 11,796,477 |
| Balance as at 30 June, 2023 | 58,783,327 | (48,055,446) | 1,036,373 | 1,680,846 | (2,381,227) | 11,063,873 |

| | 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 | - | (13,904,468) | - | - | - | (13,904,468) |
| Total other comprehensive income | - | - | - | - | (1,346,100) | (1,346,100) |
| Total comprehensive loss for the year | - | (13,904,468) | - | - | (1,346,100) | (15,250,568) |
| *Transactions with owners in their capacity as owners :* | | | | | | |
| Options issued | | | 867,712 | 377,907 | | 1,245,619 |
| Contributions of equity | 10,044,800 | - | - | - | - | 10,044,800 |
| Balance as at 30 June, 2022 | 46,986,850 | (37,223,639) | 1,137,873 | 1,680,846 | (1,993,088) | 10,588,842 |

This Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes

| | Note | 30-Jun-23 | 30-Jun-22 |
|---|---|---|---|
| | | $ | $ |
| **Cash flows used in operating activities** | | | |
| Payment to suppliers and employees | | (12,828,854) | (10,264,377) |
| Revenue from operations | | 862,610 | - |
| Interest (paid) / received | | (1,750,954) | (677,233) |
| **Net cash flows used in operating activities** | **8a** | (13,717,198) | (10,941,610) |
| **Cash flows used in investing activities** | | | |
| Payment for property, plant & equipment | | (812,655) | (1,850,758) |
| Deposits paid | | - | (1,466,105) |
| Investment in term deposits | | (458) | - |
| Investment in unrelated companies | | (437,276) | - |
| Deposits refunded | | 282,183 | 770,244 |
| Proceeds from sale of fixed assets | | - | 48,561 |
| Payment for exploration & evaluation expenditure | | (777,621) | (6,618,017) |
| **Net cash flows used in investing activities** | | (1,745,827) | (9,116,075) |
| **Cash flows from financing activities** | | | |
| Advance of related party loans | | 1,923,131 | 3,100,000 |
| Proceeds from issue of shares | | 12,811,230 | 8,329,508 |
| Transaction costs from the issue of shares | | (1,014,753) | (759,694) |
| Proceeds from borrowings (net of repayment) | | 775,759 | 4,597,386 |
| Borrowing costs | | (39,439) | (365,547) |
| **Net cash flows from financing activities** | | 14,455,928 | 14,901,653 |
| **Net increase/(decrease) in cash and cash equivalents** | | (1,007,097) | (5,156,032) |
| **Cash and cash equivalents at beginning of year** | | 1,936,037 | 7,092,069 |
| **Cash and cash equivalents at end of year** | **8** | 928,940 | 1,936,037 |

This Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes

## 1 REPORTING ENTITY

The financial report includes financial statements for the consolidated entity consisting of Dateline Resources Limited (the "Company") and the entities it controlled during the year ("the Group"). The Company is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Limited ("ASX"). The Company is a for-profit entity for the purposes of preparing the financial statements. The address of its registered office and principal place of business is disclosed in the Corporate Directory of the annual report.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in these financial statements.

### (a) Statement of compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report of the Group also complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

The financial statements were approved by the Board of Directors on 28 September 2023.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated.

### (c) Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

### (d) Foreign currency transactions

*(i) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The consolidated financial statements are presented in Australian dollars, which is Dateline Resources Limited, Dateline Fiji Pty Limited and Gunnison Gold Pty Limited's functional and presentation currency.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

### (e) Revenue recognition

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Sale of goods*

Sale of goods is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

### *(f)* New accounting standards and interpretations

The Group has applied all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. These and together with other amending Accounting Standards and Interpretations commencing from 1 July 2021 did not result in any material adjustments to the amounts recognised or disclosures in the financial report.

### (g) Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

During the year, the consolidated entity incurred a net loss of $11,123,199 (2022: $13,904,468 loss) a net cash outflow of $1,007,097 (2022: $5,156,032) and net cash out flow from operations of $13,717,198 (2022: $10,941,610). As at 30 June 2023, the consolidated entity also had a working capital deficit of $8,906,248 (2022: deficit $10,284,620).

The ability of the Group to continue as a going concern is dependent upon the Group being able to generate sufficient funds to satisfy exploration commitments and working capital requirements. The Company has taken steps to ensure that it has adequate working capital to not only satisfy existing commitments but to also future expenditure required to meet its objectives. These include

- A capital raising in July 2023 of $600,000,
- The consolidated entity's projected cash flow analysis supporting its ability to meet its financial obligations, whereby we will control expenditure according to our level of cash inflows.
- $3,076,923 from Sale of Gunnison Gold Pty Ltd (US$1,950,000).
- Additional funding that may be raised through various transactions including future fundraising from financial institutions and the market; and
- Issuing equity to settle future liabilities, if appropriate.

As a result of the above, the Company is able to execute its corporate strategy and the directors believe that the going concern basis for the preparation of the financial report of the Group is appropriate. 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 the Company'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.

### (h) Reverse Acquisition Accounting

Dateline Resources Limited is listed on the Australian Securities Exchange. Dateline Resources Limited completed the legal acquisition of Dateline Fiji Pty Limited on 3rd October 2013.

Under the principles of AASB 3 *Business Combinations* Dateline Fiji Pty Limited was deemed to be the acquirer for accounting purposes. Therefore, the transaction has been accounted for as a reverse acquisition under AASB3. Accordingly, the consolidated financial statements of Dateline Resources Limited have been prepared as a continuation of the consolidated financial statements of Dateline Fiji Pty Limited.

**(i) Income tax**

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax is recognised except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will not reverse in the foreseeable future and the group is able to control the timing of the reversal of the temporary differences.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and deferred tax liabilities shall be offset only if:

(j) there is a legally enforceable right to set-off current tax assets against current tax liabilities; and
(ii) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
   (a) the same taxable entity; or
   (b) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Profit or Loss and Other Comprehensive Income.

**(i) Other taxes**

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with amounts of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Commitments or contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**(j) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk or changes in value, and bank overdrafts.

**(k) Plant and equipment**

*Owned assets*

Items of plant and equipment are stated at cost less accumulated depreciation (see below) and any impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a work condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components).

*Subsequent costs*

The Group recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the profit or loss as an expense as incurred.

*Depreciation*

Depreciation is charged to the profit or loss using a straight-line method over the estimated useful lives of each part of an item of plant and equipment.

The estimated useful lives in the current financial year are as follows:
- Plant and equipment 3 years.
- Office equipment 3 years.
- Fixtures and fittings 3 years.
- Motor Vehicles 3 years.
- Mining equipment 10 years.

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually. Depreciation is commenced on plant, property and equipment once they are ready for use.

**(l) Exploration and evaluation**

Exploration costs are accounted for under the "Area of Interest" method, whereby costs are carried forward provided that rights to tenure of the area of interest are current and either there is a reasonable probability of recoupment through successful development and exploitation or by their sale, or exploration activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable mineral reserves and active and significant operations in, or in relation to, the area are continuing. The ultimate recoupment of costs carried forward in respect of areas of interest still in the exploration or evaluation phases is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas. Exploration & Evaluation Assets are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

**(m) Trade and other payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

**(n) Contributed equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(o) Earnings per share**

*Basic earnings per share*

Basic earnings per share is determined by dividing net profit or loss after income tax attributable to members of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**(p) Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

*Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

*Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

### (q) Share Based Payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### (r) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

### (s) Convertible Notes

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

### (t) Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

*(i) Exploration & Evaluation Expenditure*

The Group's accounting policy for exploration and evaluation is set out in Note 2(l) above. If, after having capitalised expenditure under this policy, the Directors conclude that the Group is unlikely to recover the expenditure by future exploration or sale, then the relevant capitalised amount will be written off to the Statement of Profit or Loss and Other Comprehensive Income.

*(ii) Discounting*

The Group has discounted non-interest bearing payables to the vendors of acquired subsidiaries, refer note 13. This discount rate is reviewed annually.

*(iii) Share Based Payments*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 17 for further information.

*(iv) Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

*(v) Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment

**(u) Inventory**

Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity.

Cost is determined on the following basis:

(a) Gold and other metals on hand is valued on an average total production cost method

(b) Ore stockpiles are valued at the average cost of mining and stockpiling the ore, including haulage

(c) A proportion of related depreciation and amortisation charge is included in the cost of inventory

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(v) Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**(w) Lease Liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**(x) Finance costs**

Finance costs attributable the group’s financial arrangements are capitalised as part of the borrowing and amortised over the term of that borrowing or financial instrument. All other finance costs are expensed in the period in which they are incurred.

## 3 SEGMENT INFORMATION

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

The segments are consistent with the internal management reporting information that is regularly reviewed by the chief operating decision maker, being the Board of Directors.

The reportable segments are based on aggregated operating segments determined by the similarity of economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

Management has identified three reportable operating segments based on the three principal locations of its projects – Australia, USA and Fiji. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments. Segment assets include the costs to acquire tenements and the capitalised exploration costs of those tenements.

| **30 June 2023** | **Australia** | **USA** | **Fiji** | **Consolidation Entries** | **TOTAL** |
|---|---|---|---|---|---|
| | A$ | A$ | A$ | A$ | A$ |
| Revenues | - | 858,199 | - | - | 858,199 |
| Segment Result | 4,309,051 | (15,436,661) | 4,411 | - | (11,123,199) |
| Total Segment Assets | 63,705,755 | 36,969,205 | 4,543,585 | (67,886,080) | 37,332,465 |
| Total Segment Liabilities | (11,083,124) | (44,553,854) | (5,296,024) | 34,664,410 | (26,268,592) |
| **30 June 2022** | A$ | A$ | A$ | A$ | A$ |
| Revenues | - | 2,773,721 | - | (2,773,721) | - |
| Segment Result | (5,744,287) | (7,669,835) | - | (490,346) | (13,904,468) |
| Total Segment Assets | 52,559,235 | 37,498,024 | 4,501,506 | (55,439,463) | 39,119,302 |
| Total Segment Liabilities | (16,232,028) | (29,134,174) | (5,257,673) | 22,093,415 | (28,530,460) |

## 4. INVENTORY (CURRENT)

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| | $ | $ |
| Gold & Silver concentrate on hand | - | 1,348,251 |
| | - | 1,348,251 |

Gold & Silver on hand as at 30 June 2022 had a net realisable value of $1,348,251 measured at the spot rate of $1,806 (gold) and $20.28 (silver).

## 5. Other Income

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| Other Income | - | 169,686 |
| | - | 169,686 |

## 6. ADMINISTRATION EXPENSES

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| Consulting and corporate expenses | 4,483,686 | 3,999,098 |
| Compliance and regulatory expenses | 75,574 | 124,287 |
| | 4,559,260 | 4,123,385 |

## 7. INCOME TAX EXPENSE

### (a) Income tax expense

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| Current tax | - | - |
| Deferred tax | - | - |
| | - | - |

### (b) Numerical reconciliation of income tax expense to prima facie tax payable

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| Loss from continuing operations before income tax expense | (11,123,199) | (13,904,468) |
| Tax at the Australian tax rate of 25% | (2,780,800) | (3,476,117) |
| Tax effects of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Temporary difference not brought to account | 2,780,800 | 3,476,117 |
| Income tax expense | - | - |

### (c) Tax losses

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| Unused tax losses * | 15,851,175 | 13,070,375 |

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

## 8 CASH & CASH EQUIVALENTS

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| | $ | $ |
| Cash at bank and in hand | 928,940 | 1,936,037 |
| | 928,940 | 1,936,037 |

**Reconciliation of net (loss) after tax to net cash flows used in operating activities**

| | | 30-Jun-23 | 30-Jun-22 |
|---|---|---|---|
| | | $ | $ |
| 8a | **Net profit / (loss) after income tax** | (11,123,199) | (13,904,468) |
| | **Adjustments for :** | | |
| | Depreciation | 1,161,562 | 896,044 |
| | Debt forgiveness | (7,361,276) | (169,686) |
| | Foreign exchange | 747,998 | 389,136 |
| | Share based payments and option valuation | 189,897 | 663,161 |
| | Proceeds from sale of PPE | - | (48,561) |
| | Borrowing costs | 39,439 | 138,387 |
| | Finance costs | - | 1,503,600 |
| | **Change in assets and liabilities** | | |
| | (Increase)/decrease in trade and other receivables | (66,284) | - |
| | Increase/(decrease) in trade and other payables | 1,346,414 | 939,028 |
| | Increase/(decrease) in inventory | 1,348,251 | (1,348,251) |
| | **Net cash flows used in operating activities** | (13,717,198) | (10,941,610) |

| **9** | **TRADE & OTHER RECEIVABLES** | **30-Jun-23** | **30-Jun-22** |
|---|---|---|---|
| | | **$** | **$** |
| | Other receivables | 102,943 | 36,659 |
| | | 102,943 | 36,659 |

**(a) Trade receivables past due but not impaired**

There were no trade receivables past due but not impaired

**(b) Fair value and credit risk**

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 21 for more information on the risk management policy of the Group and the credit quality of the Group's trade receivables.

| **10** | **FINANCIAL ASSETS** | **30-Jun-23** | **30-Jun-22** |
|---|---|---|---|
| | | **$** | **$** |
| | **Current** | | |
| | ANZ term deposits | 13,542 | 13,084 |
| | Exploration deposits | 1,484,271 | 300,348 |
| | Investments in unrelated companies | 437,276 | - |
| | Equipment rental deposit | - | 348,381 |
| | | 1,935,089 | 661,813 |

| Exploration deposits: | **30-Jun-23** | **30-Jun-22** |
|---|---|---|
| Deposits held as security by government authorities | 318,607 | - |
| Amounts held in escrow for exploration contractors | 1,165,664 | 300,348 |
| | 1,484,271 | 300,348 |

| **Non-current** | | |
|---|---|---|
| Security Deposit: | | |
| Deposits held as security by government authorities | - | 1,117,725 |
| | - | 1,117,725 |

| | | 30-Jun-23 | 30-Jun-22 |
|---|---|---|---|
| **11** | **PLANT & EQUIPMENT LAND & BUILDINGS** | **$** | **$** |
| | Carrying amount of plant & equipment land & buildings | 17,890,385 | 18,114,172 |
| **(a)** | **Plant and Equipment** | | |
| | At Cost | 298,272 | 251,799 |
| | Less accumulated depreciation | (101,459) | (80,029) |
| | Total plant and equipment | 196,813 | 171,770 |
| | **Movement during the year** | | |
| | Balance at the beginning of the year | 171,770 | - |
| | Additions | 46,471 | 198,117 |
| | Depreciation expense | (21,428) | (26,347) |
| | Balance at the end of the year | 196,813 | 171,770 |
| **(b)** | **Office Equipment** | | |
| | At Cost | 77,162 | 77,162 |
| | Less accumulated depreciation | (69,086) | (62,313) |
| | Total office equipment | 8,076 | 14,849 |
| | **Movement during the year** | | |
| | Balance at the beginning of the year | 14,849 | 12,476 |
| | Additions | - | 7,696 |
| | Depreciation expense | (6,773) | (5,323) |
| | Balance at the end of the year | 8,076 | 14,849 |
| **(c)** | **Mining equipment** | | |
| | At Cost | 8,151,069 | 7,946,596 |
| | Less accumulated depreciation | (2,459,298) | (1,568,237) |
| | Total mining plant & equipment | 5,691,771 | 6,378,359 |
| | **Movement during the year** | | |
| | Balance at the beginning of the year | 6,378,359 | 5,444,375 |
| | Additions | 204,473 | 1,568,755 |
| | Disposals | (20,431) | - |
| | Depreciation expense | (870,667) | (634,771) |
| | Balance at the end of the year | 5,691,734 | 6,378,359 |
| **(d)** | **Mining Land & Buildings** | | |
| | At Cost | 11,938,350 | 11,376,640 |
| | Total Mining land and buildings | 11,938,350 | 11,376,640 |
| | **Movement during the year** | | |
| | Balance at the beginning of the year | 11,376,640 | 11,376,640 |
| | Additions | 561,710 | - |
| | Balance at the end of the year | 11,938,350 | 11,376,640 |

| | | 30-Jun-23 | 30-Jun-22 |
|---|---|---|---|
| **(e)** | **Furniture & Fixtures** | **$** | **$** |
| | At Cost | 21,362 | 22,913 |
| | Less accumulated depreciation | (8,658) | (3,052) |
| | Total Furniture & Fixtures | 12,704 | 19,861 |
| | **Movement during the year** | | |
| | Balance at the beginning of the year | 19,861 | 2,170 |
| | Additions | - | 18,153 |
| | Disposals | (1,551) | - |
| | Depreciation expense | (5,606) | (462) |
| | Balance at the end of the year | 12,704 | 19,861 |
| **(f)** | **Motor Vehicles** | | |
| | At Cost | 182,125 | 244,761 |
| | Less accumulated depreciation | (139,417) | (92,066) |
| | Total Motor Vehicles | 42,708 | 152,695 |
| | **Movement during the year** | | |
| | Balance at the beginning of the year | 152,695 | 143,316 |
| | Additions | - | 58,039 |
| | Disposals | (60,057) | - |
| | Depreciation expense | (49,930) | (48,660) |
| | Balance at the end of the year | 42,708 | 152,695 |

| | | | |
|---|---|---|---|
| **12** | **EXPLORATION & EVALUATION EXPENDITURE** | | |
| | Carrying amount of exploration expenditure | 16,243,470 | 15,465,849 |
| | **Movement during the year** | | |
| | **Balance at the beginning of the year** | 15,465,849 | 8,539,957 |
| | Expenditure incurred during the year | 777,621 | 6,925,892 |
| | **Balance at the end of the year** | 16,243,470 | 15,465,849 |

Exploration and evaluation expenditure capitalised relates to expenditure incurred and capitalised for the Udu Polymetallic Exploration Project in Fiji, the Gold Links Project located in Colorado USA and the Colosseum Project in California USA. This expenditure has been accounted for in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. The fair value of the tenements acquired on acquisition of Gunnison Gold Pty Ltd have also been accounted for here.

The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation, or alternatively, the sale of the respective area of interest and also dependent on the Group's ability to renew the expired tenements without exception.

## 13 TRADE & OTHER PAYABLES

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| | $ | $ |
| **Current** | | |
| Trade and sundry creditors | 4,088,374 | 2,598,527 |
| Amount owed to the vendors of CRG Mining LLC | - | 3,458,736 |
| Amount owed to the vendors of ALSH LLC | - | 3,458,738 |
| Accruals | 921,319 | 433,980 |
| | 5,009,693 | 9,949,981 |

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

The amounts owed to the vendors of CRG Mining LLC and ALSH LLC as at 30 June 2022 ($6,917,474) have been reduced to NIL for the year ended 30 June 2023. This was accomplished by the re-negotiation of agreements and subsequent conversion of the current liability to a contingent liability (refer Note 26). This has resulted in a debt forgiveness profit recorded in the Consolidated Statement Of Profit or Loss and Other Comprehensive Income of $7,361,276.

## 14 FINANCIAL LIABILITIES TO RELATED PARTIES

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| | $ | $ |
| **Current** | | |
| Loan - Mr. Mark Johnson | 5,318,474 | 3,023,700 |
| Convertible Notes Mr. Mark Johnson | - | 160,240 |
| Loan - Mr. Stephen Baghdadi | - | 100,000 |
| | 5,318,474 | 3,283,940 |
| **Non-Current** | | |
| Convertible Notes Mr. Mark Johnson | 926,560 | 848,071 |
| | 926,560 | 848,071 |

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

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

On 28 May 2021, the Company received from Mr. Johnson a Conversion Notice to covert 865,000 Convertible Notes into 8,650,000 shares at an issue price of $0.10 per share. Mr Johnson converted a further 1,100,000 Convertible Notes to 11,000,000 shares in July 2021 and another 916,992 to 9,619,920 shares in June 2022. This reduced the Convertible Notes outstanding as at 30 June 2022 to $926,560 (2022: $1,008,311). There was an interest expense adjustment of $81,751 in the year ended 30 June 2023 which reduced the balance outstanding to $926,560. The Company has the option of repaying the outstanding balance in cash.

The Convertible Note Agreement approved by shareholders at the above meeting, provides for interest to be capitalised annually at a rate of 5% per annum. Interest expense of $24,107 has been accrued during the year to meet this requirement.

**Loans from Directors**

During the financial year Mr Johnson lent a total of $2,703,000 in unsecured loans to the Company with an interest rate payable of 10% p.a., repayable on 185 days' notice. At a general meeting of shareholders held on 28 April, 2023 shareholders approved the conversion of $420,000 debt owed to Mr Johnson to 21,000,000 ordinary shares at a deemed price of $0.02 per share. On 30 April 2023 the Company repaid $300,000 in loans to Mr Johnson. Interest of $328,406 has been accrued as at 30 June 2023. Refer to the table below for a summary of loans outstanding to Mr Johnson as at 30 June 2023.

| LOANS FROM MARK JOHNSON AS AT 30 JUNE 2023 | | | | | | |
|---|---|---|---|---|---|---|
| Loan Date | Principal | Repayments | Principal Outstanding | Interest | Loan Outstanding | Interest Rate |
| 31 Dec 2021 | $ 300,000 | $ 300,000 | $ - | $ 19,973 | $ 19,973 | 5% |
| 28 Apr 2022 | $ 1,000,000 | $ 420,000 | $ 580,000 | $ 50,548 | $ 635,395 | 5% |
| 20 May 2022 | $ 700,000 | $ - | $ 700,000 | $ 4,847 | $ 739,027 | 5% |
| 03 Jun 2022 | $ 1,000,000 | $ - | $ 1,000,000 | $ 39,027 | $ 1,053,836 | 5% |
| 01 Nov 2022 | $ 1,250,000 | $ - | $ 1,250,000 | $ 53,836 | $ 1,332,877 | 10% |
| 17 Nov 2022 | $ 500,000 | $ - | $ 500,000 | $ 82,877 | $ 530,959 | 10% |
| 23 Nov 2022 | $ 300,000 | $ - | $ 300,000 | $ 30,959 | $ 318,082 | 10% |
| 02 Dec 2022 | $ 75,000 | $ - | $ 75,000 | $ 18,082 | $ 79,336 | 10% |
| 09 Dec 2022 | $ 428,000 | $ - | $ 428,000 | $ 4,336 | $ 451,921 | 10% |
| 11 Jan 2023 | $ 150,000 | $ - | $ 150,000 | $ 23,921 | $ 157,068 | 10% |
| **TOTAL** | $ 5,703,000 | $ 720,000 | $ 4,983,000 | $ 328,406 | $ 5,318,474 | |

Mr Baghdadi made a short-term loan of $100,000 on 2 June 2022 which was repaid in July 2022. No interest was payable.

## 15 LOANS

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| | **$** | **$** |
| **Current** | | |
| Short term loans | 1,210,436 | 615.069 |
| Loan US Eagle Federal Credit Union | 257,731 | 332,205 |
| | 1,468,167 | 947,274 |
| **Long Term** | | |
| Loan US Eagle Federal Credit Union | 14,172,620 | 13,819,726 |
| Less: capitalised borrowing costs | (849,293) | (811,018) |
| Other loans | (59,753) | - |
| | 13,263,574 | 13,008,708 |

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

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

## 16. CONTRIBUTED EQUITY

| | | Consolidated 30-Jun-23 | Consolidated 30-Jun-22 |
|---|---|---|---|
| **(a)** | **Share Capital** | | |
| | Ordinary Capital - Number of Shares | 856,871,409 | 495,730,320 |
| | Ordinary Capital - Paid Up | $58,783,327 | $46,986,850 |

**(b) Movements in Share Capital**

| | | Consolidated No. of Shares | Consolidated $ |
|---|---|---|---|
| 1 July 2022 | **Opening Balance** | 495,730,320 | 46,986,850 |
| 30 Aug 2022 | Issue of shares | 44,067,500 | 4,406,750 |
| 13 Oct 2022 | Issue of shares | 22,282,500 | 2,228,250 |
| 01 Dec 2022 | Issue of shares | 3,104,198 | 199,400 |
| 08 Mar 2023 | Issue of shares | 54,635,000 | 1,092,700 |
| 17 Mar 2023 | Issue of shares | 18,865,000 | 377,300 |
| 11 Apr 2023 | Issue of shares | 5,135,050 | 102,701 |
| 12 May 2023 | Issue of shares | 107,000,000 | 2,140,000 |
| 19 May 2023 | Issue of shares | 11,199,665 | 223,993 |
| 09 Jun 2023 | Issue of shares | 18,043,000 | 360,860 |
| 15 Jun 2023 | Issue of shares | 15,000,000 | 300,000 |
| 16 Jun 2023 | Issue of shares | 47,500,000 | 950,000 |
| 29 Jun 2023 | Issue of shares | 14,309,176 | 429,276 |
| | Share Issue Costs | | (1,014,753) |
| | **Closing Balance** | 856,871,409 | 58,783,327 |

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 were 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 (Note 17).

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. At shareholders meetings, each ordinary share is entitled to one vote per share when a poll is called, otherwise each shareholder has one vote on a show of hands.

At 30 June 2023 there were 856,871,409 (2022: 495,730,320) fully paid ordinary shares on issue, which are freely tradeable, other than 12,500,000 escrowed until 15 October 2023, 423,729 escrowed until 14 April 2024 and 1,694,916 escrowed until 14 April 2025, 14,309,176 escrowed until 29 June 2024 and 40,000,000 escrowed until 16 June 2033. There are no preference shares on issue.

**(b) Capital Management**

The Group's capital includes share capital, reserves and accumulated losses. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to achieve this, the Group may issue new shares in order to meet its financial obligations. There are no externally imposed capital requirements.

| **17 RESERVES** | **30-Jun-23** | **30-Jun-22** |
|---|---|---|
| | **$** | **$** |
| Option Valuation Reserve | 1,036,373 | 1,137,873 |
| Foreign Currency Translation Reserve | (2,381,228) | (1,993,088) |
| Share Based Payments Reserve | 1,680,846 | 1,680,846 |
| | 335,991 | 825,631 |

**Foreign Currency Translation Reserve**
The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

**Option Valuation Reserve**

| Issue Date | Removal Or Lapse Date | Number of Options | Exercise Price | Expiry Date | Option Expense |
|---|---|---|---|---|---|
| **Opening Balance 1 July 2021** | | | | | **$270,166** |
| 27 Apr 22 | | 7,200,000 | $0.1100 | 27 Apr 24 | $582,453 |
| 30 Jun 22 | | 5,000,000 | $0.1000 | 30 Jun 24 | $132,011 |
| 30 Jun 22 | | 2,000,000 | $0.1300 | 30 Jun 24 | $52,804 |
| 30 Jun 22 | | 1,000,000 | $0.1500 | 30 Jun 24 | $26,402 |
| 30 Jun 22 | | 2,000,000 | $0.2000 | 30 Jun 25 | $52,804 |
| 30 Jun 22 | | 19,704,181 | | | $141,607 |
| | 28 Feb 22 | (6,000,000) | | | ($63,485) |
| | 28 Feb 22 | (4,000,000) | | | ($56,890) |
| **Closing Balance 30 June 2022** | | | | | **$1,137,873** |
| 14 Oct 22 | | 11,937,500 | $0.0135 | 14 Oct 25 | $115,732 |
| 19 Dec 22 | | 15,587,500 | $0.0135 | 19 Dec 25 | $41,350 |
| 12 May 23 | | 75,100,000 | $0.0300 | 12 May 26 | $28,700 |
| 18 May 23 | | 13,550,000 | $0.0300 | 18 May 26 | $4,110 |
| | 30 Jun 23 | (19,704,181) | | | ($291,392) |
| **Closing Balance 30 June 2023** | | | | | **$1,036,373** |

All issued options have been valued by an independent expert using the Black Scholes Model.

On 11 December 2020, 19,704,184 options were issued to directors as approved by shareholders at the Annual general Meeting on 4 December 2020. The assessed fair value at grant date of options issued was $456,133. The fair value at grant date is determined using the Black Scholes Model. The options vest in 3 equal tranches. The first at 30k tonnes of production. The second at 60k tonnes of reserves and the third at 60k tonnes of production.

$149,785 was recognised in the year ended 30 June 2021 and $141,607 was recognised in the options reserve in the year ended 30 June 2022.

On 13 June 2023, the Company announced that it had executed a binding agreement with MW Sorter LLC for the sale of Gunnison Gold Pty Ltd, the entity that owns all of the Colorado assets including the Gold Links and Lucky Strike mill. As a result it was decided that the options would not be exercised and their total expense of $291,392 was removed from the reserve.

**Share Based Payments Reserve**

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

On 14 July 2021 the Company issued to two employees 400,000 and 200,000 fully paid ordinary shares. These shares were issued with the consideration payable by the employees for the shares funded by interest free and limited recourse loans of $40,000 and $20,000 advanced by the Company, secured against the 400,000 and 200,000 ordinary shares respectively. Under AASB2, the issuance of these shares is treated as share-based payments, the cost of these were independently valued (using an option pricing model) at $20,746 and are recorded in the Share Based Payments Reserve.
On 30 July 2021 7,000,000 options were issued to PAC Partners. The assessed fair value at grant date of options issued was $357,161. The fair value at grant date is determined using the Black Scholes Model.

## 18 EARNINGS PER SHARE

The calculation of basic loss per share at 30 June 2023 was based on the loss attributable to ordinary shareholders of $11,123,199 (2022 : loss $13,904,468) and a weighted average number of shares outstanding during the financial year ended 30 June 2023 of 592,885,314 (2022 :436,141,402) calculated as follows :

| **(a) Basic (loss) per share** | **30-Jun-23** | **30-Jun-22** |
|---|---|---|
| Net (loss) per share attributable to ordinary equity holders of the Company ($) | ($11,123,199) | ($13,904,468) |
| Weighted average number of ordinary shares | 592,885,314 | 436,141,402 |
| **Continuing operations** | | |
| Basic (loss) per share (cents) | (1.88) | (3.19) |

**(b) Diluted (loss) per share**

Potential ordinary shareholders are not considered dilutive, thus diluted profit/(loss) per share is the same as basic loss per share.

## 19 RIGHT-OF-USE ASSETS (NON-CURRENT)

| | | |
|---|---|---|
| Motor Vehicles - right of use | 619,277 | 619,277 |
| Less: Accumulated depreciation | (387,639) | (180,481) |
| | 231,638 | 438,796 |

Additions to the right-of-use assets during the year were $NIL.

The consolidated entity leases motor vehicles under agreements of between one to three years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity leases other equipment under agreements of less than one year, those leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

## 20 LEASE LIABILITIES

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| | $ | $ |
| Lease liabilities (current) | 76,886 | 86,185 |
| Lease liabilities (non-current) | 205,238 | 406,301 |

## 21 FINANCIAL RISK MANAGEMENT

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

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| | $ | $ |
| **Financial Assets** | | |
| Cash & cash equivalents | 928,940 | 1,936,037 |
| Trade & other receivables | 102,943 | 36,659 |
| Financial Assets | 1,935,089 | 661,813 |
| | 2,966,972 | 2,634,509 |
| **Financial Liabilities** | | |
| Trade & other payables | 5,009,693 | 9,949,981 |
| Financial liabilities to related parties | 5,318,474 | 3,283,940 |
| Short term loans | 1,468,167 | 947,274 |
| Lease Liabilities | 282,124 | 492,486 |
| Long term loan | 13,263,574 | 13,008,708 |
| | 25,342,032 | 27,682,389 |
| **Net exposure** | (22,375,060) | (25,047,880) |

**Financial risk management**

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, foreign currency risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. Primary responsibility for identification and control of financial risks rests with the Board of Directors.

**(a) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk as it invests funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate deposits.

| **Financial Assets** | **30-Jun-23** | **30-Jun-22** |
|---|---|---|
| | **$** | **$** |
| Cash and cash equivalents | 928,940 | 1,936,037 |
| Financial Liability - long term loan | 13,263,574 | 13,008,708 |

**Sensitivity**

Based on the cash and cash equivalent held on 30 June 2023, had the interest rate increased by 1%, the group's post-tax loss would have been decreased by $9,289 and had the interest rate decreased. By 1% the group's post tax loss would have been increased by $9,289. Based on the cash and cash equivalent held on 30 June 2022, had the interest rate increased by 1%, the group's post-tax loss would have been decreased by $19,360 and had the interest rate decreased by 1% the group's post tax loss would have been increased by $19,360.

The Company has 3 long terms loans totaling US$9,380,290 (2022: US$9,847,000). Interest is payable monthly at the US Prime Rate plus 2.75% p.a.

Based on the borrowings at held on 30 June 2023, had the interest rate increased by 1%, the group's post-tax loss would have been increased by $US93,802 ($A132,635) and had the interest rate decreased by 1% the group's post tax loss would have been decreased by $US93,802 ($A$132,635). Based on the borrowings held on 30 June 2022, had the interest rate increased by 1%, the group's post-tax loss would have been increased by US$98,470 ($A130,521) and had the interest rate decreased by 1% the group's post tax loss would have been decreased by US$98,470 ($A130,521).

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financing loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Group's maximum exposure to credit risk. All trade and other receivables are due within 30 days and none are past due.

**(i) Cash and cash equivalents**

The Group's primary banker is Commonwealth Bank of Australia (2022 : Commonwealth Bank of Australia). The Board considers the use of this financial institution, which has a short term rating of AA- from Standards and Poors to be sufficient in the management of credit risk with regards to these funds.

| | **30-Jun-23** | **30-Jun-22** |
|---|---|---|
| | **$** | **$** |
| Cash and cash equivalents | 928,940 | 1,936,037 |

**(ii) Trade & other receivables**

While the Group has policies in place to ensure that transactions with third parties have an appropriate credit history, the management of current and potential credit risk exposures is limited as far as is considered commercially appropriate. Up to the date of this report, the Board has placed no requirement for collateral on existing debtors.

**(b) Foreign currency risk**

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US and Fijian dollar. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the Company's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian Dollars, was as follows:

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| | $ | $ |
| Cash at bank and short term bank deposits | 534,547 | 294,953 |
| Financial assets | 1,497,813 | 1,765,758 |
| Payables | (3,703,263) | (2,678,058) |
| Borrowings | (13,952,987) | (14,210,441) |
| | (15,623,890) | (14,827,788) |

**SENSITIVITY**

At 30 June 2023, had the Australian dollar weakened by 10% against the US and Fijian dollar, with all other variables being constant, the net assets of the group would have reduced by $1,562,389 (2022: $1,482,778) and loss would have increased by $1,562,389 (2022: $1,482,778).

At 30 June 2022, had the Australian dollar strengthened by 10% against the US and Fijian dollar, with all other variables being constant, the net assets of the group would have increased by $1,562,389 (2022: $1,482,778) and loss would have reduced by $1,562,389 (2022: $1,482,778).

**Liquidity risk management**

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by continually monitoring cash reserves and cash flow forecasts to ensure that financial commitments can be met as and when they fall due.

The terms of the group's financial liabilities are detailed in notes 13, 14 and 15.

## 22 KEY MANAGEMENT PERSONNEL DISCLOSURES

### (a) Key management personnel compensation

Information regarding individual Directors and Executive compensation and some equity instruments disclosures as permitted by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the Directors' report.

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| | $ | $ |
| **Compensation by category** | | |
| Short term employee benefits | 660,000 | 480,000 |
| | 660,000 | 480,000 |

### (b) Material contracts

***(i) Directors' Deeds of Indemnity***

With every Director appointment, the Group enters into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Group agrees to indemnify each Director to the extent permitted by the Corporations Act 2001 against any liability arising as a result of the Director acting in the capacity as a Director of the Group. The Group is also required to maintain insurance policies for the benefit of the Directors and must also allow the Directors to inspect Group documents in certain circumstances.

***(ii) Loans to Directors***

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 cost of these were independently valued (using an option pricing model) at $1,302,939 and are recorded in the Share Based Payments Reserve (Note 17).

***Other Fees Paid to/accrued for Directors***

Other than that provided in the remuneration section of the Directors' report, there were no other fees paid to Directors.

***(iii) Balances outstanding***

As at 30 June 2023 the following amounts were unpaid to KMP and or Directors:

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| | $ | $ |
| Mr Baghdadi | 132,000 | 238,000 |

## 23 RELATED PARTY DISCLOSURES

### (i) Key management personnel

Disclosures relating to directors and executives are set out in note 22 Key Management Personnel Disclosures.

### (ii) Transactions with related parties

| FINANCIAL LIABILITIES TO RELATED PARTIES | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| | $ | $ |
| **Current** | | |
| Loan - Mr. Mark Johnson | 5,318,474 | 3,023,700 |
| Convertible Notes Mr. Mark Johnson | - | 160,240 |
| Loan - Mr. Stephen Baghdadi | - | 100,000 |
| | 5,318,474 | 3,283,940 |
| **Non-Current** | | |
| Convertible Notes Mr. Mark Johnson | 926,560 | 848,071 |
| | 926,560 | 848,071 |

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

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

On 28 May 2021, the Company received from Mr. Johnson a Conversion Notice to covert 865,000 Convertible Notes into 8,650,000 shares at an issue price of $0.10 per share. Mr Johnson converted a further 1,100,000 Convertible Notes to 11,000,000 shares in July 2021 and another 916,992 to 9,619,920 shares in June 2022. This reduced the Convertible Notes outstanding as at 30 June 2022 to $1,008,311 (2021: $2,988,552). There was an interest expense adjustment of $81,751 in the year ended 30 June 2023 which reduced the balance outstanding to $926,560. The Company has the option of repaying the outstanding balance in cash.

The Convertible Note Agreement approved by shareholders at the above meeting, provides for interest to be capitalised annually at a rate of 5% per annum. Interest expense of $24,107 has been accrued during the year to meet this requirement.

**Directors Loans**

During the financial year Mr Johnson lent a total of $2,703,000 in unsecured loans to the Company with an interest rate payable of 10% p.a., repayable on 185 days' notice. At a general meeting of shareholders held on 28 April, 2023 shareholders approved the conversion of $420,000 debt owed to Mr Johnson to 21,000,000 ordinary shares at a deemed price of $0.02 per share. On 30 April 2023 the Company repaid $300,000 in loans to Mr Johnson. Interest of $328,406 has been accrued as at 30 June 2023. Refer to the table in Note 14 for a summary of loans outstanding to Mr Johnson as at 30 June 2023.

Mr Baghdadi made a short-term loan of $100,000 on 2 June 2022 which was repaid in July. No interest was payable.

**(iii) Subsidiaries and associates**

| Name of subsidiary | Country of Incorporation | Ownership Interest (%) 30.6.22 | Ownership Interest (%) 30.6.21 |
|---|---|---|---|
| Dateline Fiji Pty Limited | Australia | 100% | 100% |
| Matai Holdings (Fiji) Ltd | Fiji | 100% | 100% |
| Golden Phoenix Resources Limited | Australia | 100% | 100% |
| Golden Phoenix Australia Pty Ltd | Australia | 100% | 100% |
| Gunnison Gold Pty Ltd | Australia | 100% | 100% |
| Colosseum Mines Pty Ltd | Australia | 100% | 100% |
| Fossil Creek Mines LLC | USA | 100% | 100% |
| CRG Mining LLC | USA | 100% | 100% |
| Saguache Mining LLC | USA | 100% | 100% |
| SLV Minerals LLC | USA | 100% | 100% |
| Colosseum Rare Metals Inc. | USA | 100% | 100% |
| ALSH LLC | USA | 100% | 100% |
| Sooner Lucky Strike Mine LLC | USA | 100% | 100% |

During the year ended 30 June 2021, Colosseum Mines Pty Ltd and Colosseum Rare metals Inc, were incorporated on 24 March 2021 and 26 March 2021 respectively.

## 24 COMMITMENTS

**(a) Operating Commitments**

There were no operating commitments at year end

**(b) Exploration and Evaluation Commitments**

There were no exploration and evaluation commitments at year end.

## 25 SUBSEQUENT EVENTS

On 5 July 2023, the Company announced that it had executed a binding term sheet with Western Strontium to acquire an 80% interest in the Argos Strontium Project located approximately 100 kilometers from its flagship Colosseum Gold and Rare Earths project in San Bernardino, California, USA.

**Acquisition Terms**

Dateline and Western Strontium have agreed to establish a new entity (Newco) to hold the four patented claims that comprise the Argos Strontium Project. The consideration payable to Western Strontium for the 80% interest that Dateline will own in Newco is as follows:

**Shares & Options**

- Five million ordinary shares in Dateline Resources Limited
- Ten million, three year unquoted options, allowing Western Strontium to purchase ordinary shares at 3 cents per share.

The above shares and options will be made available from Dateline's existing share capacity under Listing Rule 7.1

**Cash Payments**

- USD $100,000 payable 90 days from date of completion (First Payment Date);
- USD $150,000 on the date that is six months from the First Payment Date;
- USD $150,000 on the date that is 12 months from the First Payment Date;
- USD $150,000 on the date that is 18 months from the First Payment Date.

Western Strontium will maintain a 20% carried interest in the project via its 20% shareholding of Newco.

On 11 August 2023 the Company announced the issue of 28,571,428 fully paid ordinary shares raising $600,000 (before costs) at $0.021 per new share and 5,714,286 accompanying unquoted options with an exercise price of $0.03 with an expiry of 9 August 2026.

No other matter or event has arisen since 30 June 2023 that would be likely to materially affect the operations of the Group, or the state of affairs of the Company not otherwise disclosed in the Group's financial report.

## 26 CONTINGENT LIABILITIES

For the year ended 30 June 2023 and for the year ended 30 June 2022, the following contingent liabilities existed.

There are contracted contingent liabilities in regard to Royalty Arrangements to the vendors of CRG Mining LLC. (CRG). The vendors of CRG are entitled to receive royalty payments at a rate of US$50 for each ounce of gold produced from any mining operations conducted on the acquired tenements up to a maximum of US$5 million (Maximum Amount). Regardless of production, an aggregate minimum amount of US$2.5 million is to be paid which is included in the deferred consideration. (Refer note 13).

On the acquisition of Sooner Lucky Strike Mine there is a contingent liability 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 is to be paid which is included in the deferred consideration. (Refer note 13).

As part of the restructuring for the conversion of the Long Term Loans (royalty payments) to a contingent liability, a fee of $US500,000 is payable by Fossil Creek Mines LLC (FCM) to Park Creek Mineral Management LLC (PCMM) on or before July 1, 2024. If FCM fails to pay US$500,000 to PCMM on or before 1 July, 2024, then Dateline Resources Limited will assume this contingent liability.

***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 greater than one ounce per ton. The adjustment is calculated by multiplying the average Ownership Percentage of Net Smelter returns during each 6 month period by the Gold Ratio. The Gold Ratio is the ratio of the amount of ounces of gold produced verses the tonnes of ore mined and milled. The maximum percentage payable is capped at 7%.

**Minimum payment if no production occurs**

If no production is under taken after 31 October 2018 the previous owner is entitled to US$15,000 per calendar year if the following condition is met:

> A commercial quantity (as determined by the previous owner's project engineer and geologist) or 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 Bernardino 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 suspension of operations, the gold price was at a cyclical low below $350/oz.

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.

## 27 DIVIDENDS

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

## 25 REMUNERATION OF AUDITORS

| | 30-Jun-23 | 30-Jun-22 |
|---|---|---|
| | $ | $ |
| **(a) HLB Mann Judd Assurance (NSW) Pty Ltd** | | |
| An audit or review of the financial report of the Company | - | 60,000 |
| | - | 60,000 |
| **(b) DFK Laurence Varnay Auditors Pty Ltd** | | |
| An audit or review of the financial report of the Company | 54,750 | - |
| | 54,750 | - |

## 26 PARENT ENTITY INFORMATION

| | | 30-Jun-23 | 30-Jun-22 |
|---|---|---|---|
| **(a)** | **Financial Position** | | |
| | **Assets** | $ | $ |
| | Current assets | 20,649,313 | 10,063,826 |
| | Non-current assets | 28,245,150 | 27,819,600 |
| | **Total Assets** | 48,894,463 | 37,883,426 |
| | **Liabilities** | | |
| | Current liabilities | 7,616,609 | 12,941,467 |
| | Non-Current liabilities | 1,007,219 | 928,730 |
| | **Total Liabilities** | 8,623,828 | 13,870,197 |
| | **Net Assets** | 40,270,635 | 24,013,229 |
| | **Equity** | | |
| | Issued equity | 57,321,342 | 45,524,865 |
| | Reserves | 3,146,400 | 3,247,896 |
| | Retained earnings | (20,197,107) | (24,759,532) |
| | **Total Equity** | 40,270,635 | 24,013,229 |
| **(b)** | **Financial Performance** | | |
| | Profit/(Loss) for the year | (2,798,851) | (6,891,406) |
| | Other comprehensive income | 7,361,276 | - |
| | Total Comprehensive Income | 4,562,425 | (6,891,406) |

**(c) Guarantees Entered Into By The Parent Entity**

No guarantees have been entered into by the parent entity in relation to the debts of its subsidiaries.

**(d) Commitments And Contingencies of the Parent Entity**

There were no commitments and contingencies for the parent entity as at 30 June 2023 or 30 June 2022 other than that disclosed in notes 22 and 24.

## 28. ENTITIES ACQUIRED DURING THE YEAR

Year ended 30 June 2023 - NIL
Year ended 30 June 2022 - NIL

**29. RESTATEMENT OF COMPARATIVES - SHORT TERM LEASES**

Short term leases with an expiry of less than 1 year were taken up as at 30 June 2022.
The lease treatment of these short term leases have been corrected as at 30 June 2022.
The impact of the of the correction is as follows :

| | ORIGINAL $ | RESTATED $ | CHANGES $ |
|---|---|---|---|
| **Consolidated Statement of Profit or Loss and Other Comprehensive Income** | | | |
| Interest expense | 1,608,787 | 1,503,600 | 105,187 |
| Administration expenses | 4,100,588 | 4,123,385 | (22,797) |
| (Loss) from continuing operations before income tax | (14,359,734) | (13,904,468) | (455,266) |
| (Loss) after continuing operations before income tax | (14,359,734) | (13,904,468) | (455,266) |
| Foreign Currency Translation Reserve | (1,623,346) | (1,221,719) | (401,627) |
| Total comprehensive (loss) for the period | (15,983,080) | (15,126,187) | (856,893) |
| (Loss) for the year attributable to Owners of the Company | (14,359,734) | (13,904,468) | (455,266) |
| Total comprehensive (Loss) for the year attributable to Owners of the Company | (14,359,734) | (13,904,468) | (455,266) |
| Basic & diluted loss per share-cents/share | (3.29) | (3.19) | (0.10) |
| **Consolidated Statement of Financial Position** | | | |
| Plant & equipment land & buildings | 18,114,172 | 18,122,570 | (8,398) |
| Exploration & evaluation expenditure | 15,465,849 | 15,457,451 | 8,398 |
| Right-of-use assets | 3,018,444 | 438,796 | 2,579,648 |
| Total Non-Current Assets | 37,716,190 | 35,136,542 | 2,579,648 |
| TOTAL ASSETS | 41,698,950 | 39,119,302 | 2,579,648 |
| Current lease liabilities | 1,960,983 | 86,185 | 1,874,798 |
| Long term loan | 13,052,149 | 13,008,708 | 43,441 |
| Non-current lease liabilities | 1,800,223 | 406,301 | 1,393,922 |
| Total Non-Current Liabilities | 15,700,443 | 14,263,080 | 1,437,363 |
| TOTAL LIABILITIES | 31,842,620 | 28,530,460 | 3,312,160 |
| NET ASSETS | 9,856,330 | 10,588,842 | (732,512) |
| Reserves | 548,385 | 825,631 | (277,246) |
| Accumulated losses | (37,678,905) | (37,223,639) | (455,266) |
| TOTAL EQUITY | 9,856,330 | 10,588,842 | (732,512) |
| **Consolidated Statement of Changes of Equity** | | | |
| Accumulated losses as at 30 June 2022 | (37,678,905) | (37,223,639) | (455,266) |
| Foreign currency reserve as at 30 June 2022 | (2,270,334) | (1,993,088) | (277,246) |
| Balance as at 30 June, 2022 | 9,856,330 | 10,588,842 | (732,512) |

| **Note 29 (Continued)** | **ORIGINAL** | **RESTATED** | **CHANGES** |
|---|---|---|---|
| | **$** | **$** | **$** |
| **Notes to the Accounts** | | | |
| **Note 3 - Segment Information** | | | |
| Segment Result-USA | (8,125,100) | (7,669,832) | (455,268) |
| Segment Result-Total | (14,359,734) | (13,904,468) | (455,266) |
| Segment Liabilities-USA | 32,446,335 | 29,134,174 | 3,312,161 |
| Segment Liabilities-Total | 31,842,621 | 28,530,460 | 3,312,161 |
| **Note 6 - Administration expenses** | | | |
| Compliance and regulatory expenses | 101,490 | 124,287 | (22,797) |
| Total Administration expenses | 4,100,588 | 4,123,385 | (22,797) |
| **Note 7 - Income Tax Expense** | | | |
| Loss from continuing operations before income tax expense | (14,359,734) | (13,904,468) | (455,266) |
| Tax at the Australian tax rate of 25% | (3,589,934) | (3,476,117) | (113,817) |
| Tax effects of amounts which are not deductible (taxable) in calculating | | | |
| taxable income: Temporary difference not brought to account | 3,589,937 | 3,476,117 | 113,820 |
| Unused tax losses | 13,184,191 | 13,070,375 | 113,816 |
| **Note 11 - Plant & Equipment Land & Buildings** | | | |
| Carrying amount of plant & equipment land & buildings | 18,114,172 | 18,122,570 | (8,398) |
| **Note 12 - Exploration & Evaluation Expenditure** | | | |
| Carrying Amount of exploration expenditure | 15,465,849 | 15,457,451 | 8,398 |
| **Note 15 - Loans** | | | |
| Non-current Other Loans | 43,559 | - | 43,559 |
| Total Loans | 13,052,149 | 13,008,708 | 43,441 |
| **Note 17 - Reserves** | | | |
| Foreign Currency Translation Reserve | (2,270,334) | (1,993,088) | (277,246) |
| Total reserves | 548,385 | 825,631 | (277,246) |
| **Note 18 - Earnings per share** | | | |
| Net (loss) per share attributable to ordinary equity holders of the Company | (14,359,734) | (13,904,468) | (455,266) |
| Basic (loss) per share (cents) | (3.29) | (3.19) | (0.10) |

| Note 29 (Continued) | ORIGINAL | RESTATED | CHANGES |
|---|---|---|---|
| | $ | $ | $ |
| **Note 19 - Right of Use Assets (Non-Current)** | | | |
| Mining equipment-right of use | 2,964,031 | - | 2,964,031 |
| Less accumulated depreciation | (327,180) | - | (327,180) |
| Total | 2,636,851 | - | 2,636,851 |
| Motor Vehicles - right of use | 607,769 | 619,277 | (11,508) |
| Less: Accumulated depreciation | (226,176) | (180,481) | (45,695) |
| Total | 381,593 | 438,796 | (57,203) |
| **Note 20 - Lease Liabilities** | | | |
| Current Lease liabilities | 1,960,983 | 86,185 | 1,874,798 |
| Non-current liabilities | 1,800,223 | 406,301 | 1,393,922 |
| **Note 21 - Financial Risk Management** | | | |
| Lease liabilities | 3,761,206 | 492,486 | 3,268,720 |
| Net exposure | (28,080,387) | (25,047,880) | (3,032,507) |

In the Directors' opinion:

a) the financial statements and notes set out on pages 12 to 48 are in accordance with the Corporations Act 2001, including:

   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   (ii) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date, and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Equivalent Chief Executive Officer and the Equivalent Chief Financial Officer required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Board of Directors

**Mr Mark Johnson**
**Non-Executive Chairman**
**28 September 2023**

**Dateline Resources Limited**
**ABN: 63 149 105 653**

**Independent Auditor's Report to the shareholders of Dateline Resources Limited**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the Financial Report of Dateline Resources Limited (the Company) and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion:

a) The accompanying Financial Report of the Company is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of their financial performance for the year then ended; and

  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

**Emphasis of Matter - Material Uncertainty Regarding Going Concern**

We draw attention to Note 2(g) in the Financial Report, which indicates that the Group incurred a net loss of $11,123,199 (2022: $13,904,468) during the year ended 30 June 2023 and, as of that date, the current liabilities exceeded its current assets by $8,906,248 (2022: deficit $10,284,620). As stated in Note 2(g), these events, or conditions, along with other matters as set forth, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2023. These matters were addressed in the context of our audit of the financial report as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Apart from above the key audit matters are:

| **Key audit matters** | **How our audit addressed the key audit matters** |
|---|---|
| **Going concern**<br>**Refer to Note 2(g)** | |
| We identified going concern as a key audit matter due to the significant level of judgement required in evaluating the Group's assessment of going concern and the events or conditions that may cast significant doubt on their ability to continue as a going concern as disclosed in Note 2(g).<br>The Directors have determined that the going concern basis of accounting is appropriate in preparing the financial report based on cash flow projections which included a number of assumptions and high level of judgements. Should the company not be able to execute its corporate strategy there will be a material uncertainty casting significant doubt on the Group's ability to continue as a going concern. The levels of uncertainty was critically scrutinised, as it related to the Group's ability to continue as a going concern, within the assumptions and judgements, concentrating on:<br><br>• capital raising of $600,00 in July 2023;<br>• $3,076,923 from sale of Gunnison Gold Pty Ltd during the forecast period; | Our audit procedures in relation to going concern included but were not limited to:<br>• we critically analysed The Group's forecasts for the next 12 months from the date of signing the financial statements by assessing:<br>- Recoverability of remaining proceeds from sale of the Gunnison Gold Pty Ltd against executed binding agreement with MW Sorter LLC;<br>- We reviewed the financial position and assessed a number of key ratios;<br>- Reviewed FY 2023 YTD cash inflows and outflow results against forecast; and<br>- Reviewed subsequent bank statements upto date of signing to validate assumptions made in forecast. |



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| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| • Additional funding raised through future fundraising from financial institutions and the market; and<br>• Issuing equity to settle future liabilities, if appropriate. | |
| **Option Valuation – Note 17**<br>The Group often provides benefits to Directors and others via share-based payment transactions, whereby the Directors or others render services and receive shares or the option to purchase shares. These share-based payment transactions are classified by the Group as equity settled share-based payment transactions.<br>This is a key audit matter because the expense recognised incorporates a judgemental value. Black Scholes model's include inputs which require judgement.<br>The share-based payment expenses were split between share-based payment expenses / reserves or option valuation expenses / reserves, depending on their type as requested by management, however, are all captured under AASB 2 Share Based Payments.<br>Options issued to directors were valued by management using a Black Scholes model, and the vesting periods were determined by the directors. These options were accounted for in the option valuation reserve.<br>Limited recourse share purchase loans, which were accounted for as options under AASB 2 Share Based Payments were valued with the assistance of an expert valuer who also used a Black Scholes model. The limited recourse share purchase loans are within the share-based payments reserve.<br><br>The impact on the financial report for the year ended 30 June 2023 reflected a profit or loss charge of $189,897 to option valuation expense. | Our audit procedures included but were not limited to:<br><br>• Only options were issued in FY 2023 so obtaining agreements for options and assessing the accounting treatment in conjunction with the terms;<br><br>• Considering the design and implementation of controls surrounding review of valuations at the Board level<br><br>• Obtaining management or expert valuation using Black Scholes models and supporting the inputs in the calculations to publicly available data;<br><br>• Considering the objectivity, competence and capabilities management expert used; and<br><br>• Examining the disclosures made in the financial report. |

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.





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**Auditor's Responsibilities for the Audit of the Financial Report (Cont'd)**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

**Report on the Remuneration Report**

***Opinion on the Remuneration Report***
We have audited the Remuneration Report included on pages 8-10 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Dateline Resources Limited, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.



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***Responsibilities***

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**DFK Laurence Varnay Auditors Pty Ltd**

**Faizal Ajmat**
**Director**
Sydney
Dated: 28th day of September 2023





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