



DATELINE RESOURCES LIMITED

A.C.N. 149 105 653

FINANCIAL REPORT to SHAREHOLDERS

for the HALF YEAR ENDED

31 DECEMBER 2014

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**Directors & Officers**

Mark Johnson AO - Chairman
Stephen Baghdadi - Executive Director
George Niumataiwalu - Non-Executive Director
Andrew Phillips - Alternate Director for Mr. Baghdadi
John Smith - Company Secretary

Bankers

National Australia Bank
Fremantle Business Banking Centre
Level 1, 88 High Street
Fremantle WA 6160
Website: www.nab.com.au

Registered Office

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20 Loftus Street
Sydney NSW 2000

PO Box 553
South Hurstville NSW 2221

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

Auditors

Duncan Dovico Risk & Assurance Pty Ltd
Level 12, 90 Arthur Street
North Sydney NSW 2060
Website: www.duncandovico.com.au

Share Registry

Security Transfers Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Website: www.securitytransfer.com.au

Securities Exchange

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

Australian Company Number

ACN 149 105 653

Australian Business Number

ABN 63 149 105 653

Solicitors

Watson Mangioni Lawyers Pty Ltd
Level 13
50 Carrington Street
Sydney NSW 2000
Website: www.wmlaw.com.au

Domicile and Country of Incorporation

Australia

The Directors present their report of Dateline Resources Limited ("the Company") for the half year ended 31 December 2014 ("the Period").

1. DIRECTORS

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

| Director / Position | Duration of Appointment |
|--|---|
| Mr. Mark Johnson AO Chairman | Appointed 22 April, 2013 |
| Mr. Stephen Gemell Non-Executive Director | Appointed 24 October, 2013 Resigned 19 August 2014 |
| Mr. George Niumataiwalu Non-Executive Director | Appointed 24 October, 2013 |
| Mr. Stephen Baghdadi Executive Director | Appointed 3 July, 2014 |
| Mr. Andrew Phillips Alternate Director for Mr. Baghdadi | Appointed 18 November 2014 |
| Mr. Greg Hall Non-Executive Director | Appointed 19 January 2015 |

2. COMPANY SECRETARY

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

- Mr. John Smith (appointed 24 October 2013)

3. PRINCIPAL ACTIVITIES

The Company is an Australian-based exploration company with exploration projects in the Republic of Fiji. The Udu Polymetallic Project in Fiji hosts an Inferred Resource of 4.5 million tonnes at 1.2% Cu, 3.9% Zn, 29g/t Ag & 0.3g/t Au in accordance with JORC 2012 Guidelines. The Company plans to focus on exploration and development of the Udu Project and pursue base metals opportunities in Australia and the South Pacific.

4. REVIEW OF OPERATIONS AND ACTIVITIES

Tenement Schedule

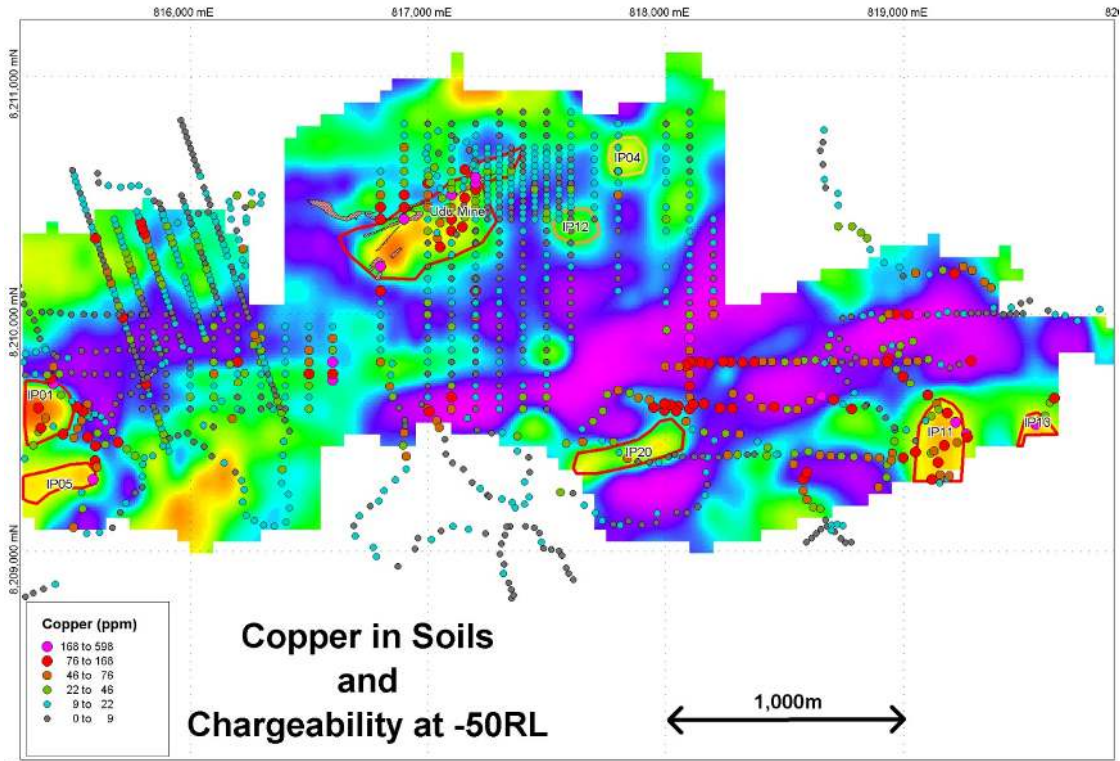
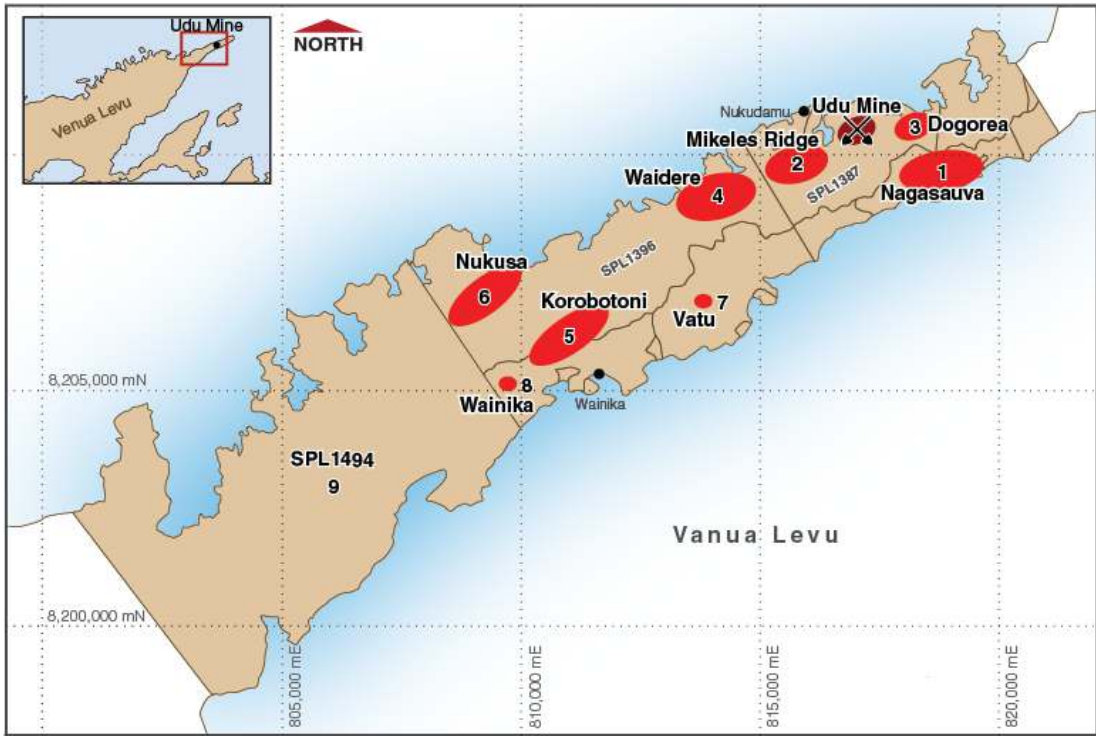
| Project | Number | Ownership | Location |
|---------|---------|------------------|----------|
| Udu | SPL1387 | 100% | Fiji |
| Udu | SPL1396 | 100% | Fiji |
| Udu | SPL1494 | 100% | Fiji |
| Udu | CX814 | Application 100% | Fiji |
| Udu | CX815 | Application 100% | Fiji |

Conditions for junior exploration companies continued to be extremely difficult. There is an uncertain outlook for economic growth and for commodity prices. In these circumstances financial markets will only support projects offering near term cash flow or really outstanding prospects. DTR's response has been to adopt stringent cash control, and to confine all but absolutely essential expenditures.

DTR's tenements at Udu are prospective for porphyry occurrences. Data and information on these prospects and a conceptual framework for low cost exploration were further evaluated. The company is now in a position to provide potential joint venture partners with access to a considerable data base.

Opportunities in gold and base metals outside Fiji could dilute single project risk and be in the interests of DTR shareholders. Considerable effort was given to the development of other opportunities, a number were examined and several were judged to be attractive. Evaluation of these prospects and analysis of possible terms of entry are continuing.

Examination regarding possible participation in a number of new projects and maintaining and reviewing the Company's existing projects were the principal activities during the quarter. There were no acquisitions or disposals of any interests in any of the Company's projects during the quarter. Directors continue to investigate opportunities to participate in joint ventures and acquire projects in Australia and overseas.



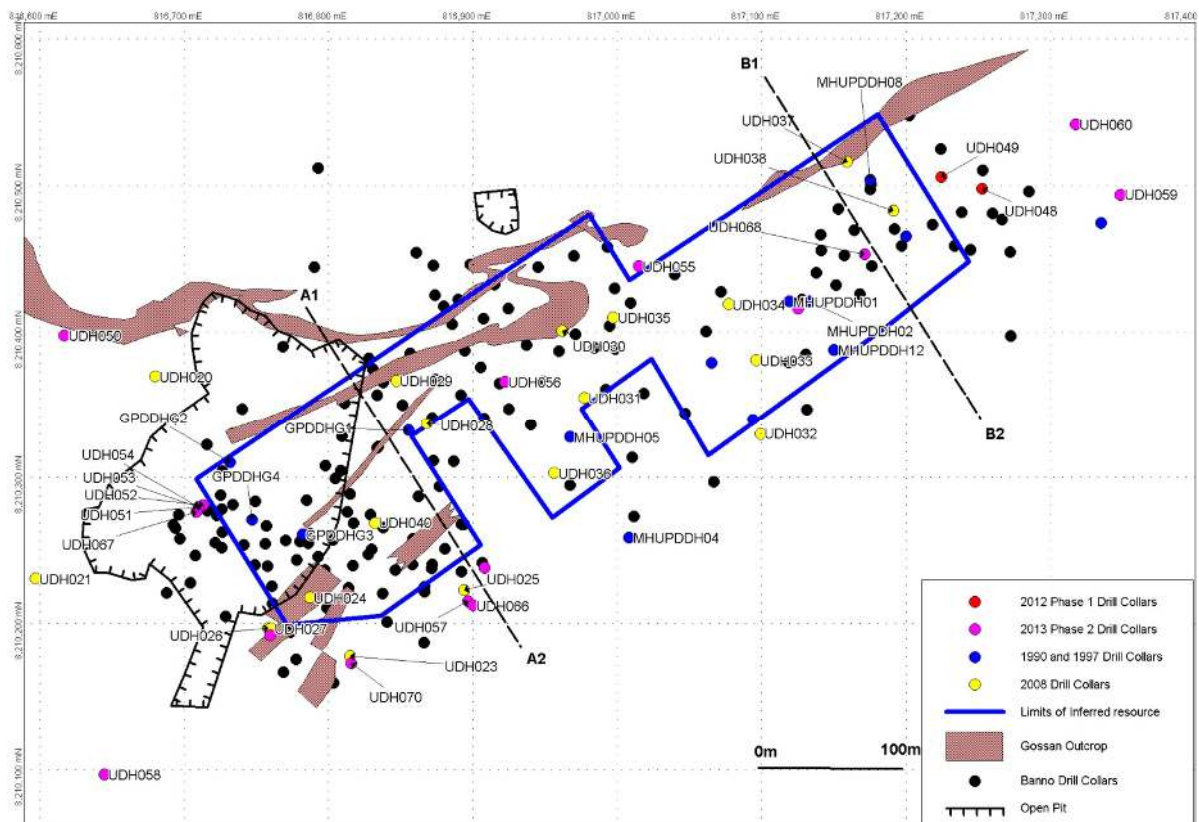


Figure 3: Drill hole locations, Udu Mine area.

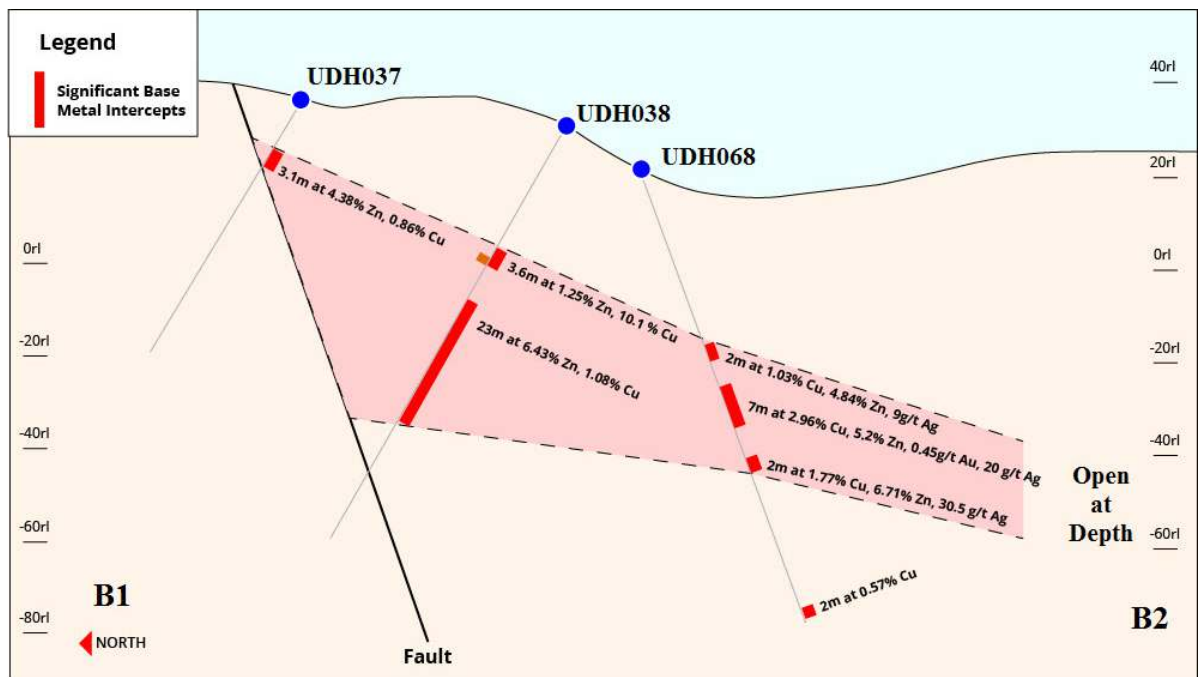


Figure 4 - Udu Project B1 to B2 Section View (Refer Figure 2 Plan)

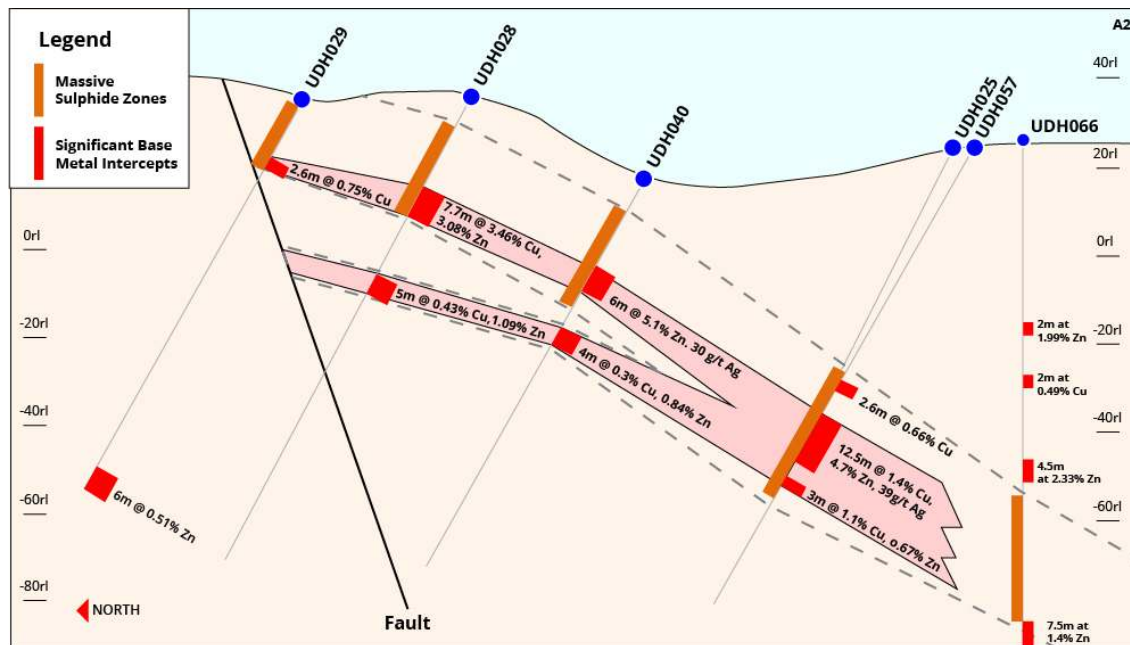


Figure 5: Section A1 to A2

Table 1: Summary of drilling completed and significant intercepts.

| Hole | Northing WGS84 | Easting WGS84 | Azimuth UTM | Dip | From M | To m | Interval m | Cu % | Zn % | Ag g/t | Au g/t |
|--------|-------------------|------------------|----------------|-----|-----------|---------|---------------|---------|---------|-----------|-----------|
| UDH063 | 816900 | 8210235 | 060 | -60 | | | NSI | | | | |
| UDH064 | 8210231 | 816899 | 30 | -70 | 56 | 58 | 2 | 0.64 | 0.03 | 1 | 0.02 |
| UDH065 | 8210214 | 816887 | 240 | -60 | | | NSI | | | | |
| UDH066 | 8210214 | 816887 | 60 | -60 | | | NSI | | | | |
| UDH067 | 8210280 | 816712 | 149 | -60 | 33 | 43.3 | 10.3 | 1.82 | 1.41 | 16.3 | 0.11 |
| UDH068 | 8210450 | 817157 | 150 | -70 | 38 | 40 | 2 | 1.03 | 4.84 | 9 | 0.07 |
| | | | | | 45 | 52 | 7 | 2.96 | 5.2 | 20 | 0.45 |
| | | | | | 58 | 60 | 2 | 1.77 | 6.71 | 30.5 | 0.02 |
| | | | | | 82 | 84 | 2 | 0.57 | 0.01 | 1 | 0.03 |
| UDH069 | 8210199 | 816762 | 330 | -60 | | | NSI | | | | |
| UDH070 | 8210178 | 816812 | 60 | -60 | | | NSI | | | | |

Notes:

1. Cu – copper; Zn – zinc; Ag – silver; Au - gold
2. Intercepts are quoted at a lower cut-off of 0.5% Zn or 0.5% Cu, with up to 2m of internal dilution
3. Sampling is generally conducted on 1 metre intervals, with a maximum sample interval of 1.5m in areas of poor core recovery.
4. EOH – end of hole
5. All samples comprise ½ NQ diamond drill core, cut with chisel or a diamond saw. Drilling recoveries are measured and recorded for individual samples and certified analytical standards have been inserted into the batch at a rate of 1:20. Samples were oven dried, jaw crushed to -6mm, rotary split to a 1,000g sub-sample which was pulverised to 85% <75um. Gold was determined by 50g Fire assay with AA finish with the remaining elements being determined by ICP-AES with four acid digest.
6. Core recovery is problematic within some of the mineralised intervals and it is possible that if core recovery had been 100% the results obtained would be different to the results reported in Table 1. At this stage it is impossible to accurately assess whether core lost has resulted in an increase or decrease in the grades of the mineralised intervals.
7. Mineralisation is interpreted to be shallowly dipping, hence drill intercept lengths are approximately true widths of mineralisation.

8. All collars were located using a handheld GPS and are reported in UTM-WGS84 Zone 60 south
9. Additional details of the drilling and sampling may be found in Appendix 2 of the company quarterly activities report released on the 31st January 2015 ("Heli-Rig NQTT Samples").
10. The 3DIP data was acquired by Search Exploration Services (Search) using their own equipment, which consisted of a 64 channel, full waveform receiver and a 30 kVA transmitter. The array used for the bulk of the survey was in the main a double offset dipole-dipole, at Waidere three quarters of a quad offset dipole-dipole array was recorded. The Search receiver measures the full time series voltage difference between each active electrode and a single reference electrode. This enables them to be able to recover the potential difference for any pair of electrodes by simple subtraction. The survey used 50m spaced electrodes for the bulk of the area and 100m spaced electrodes for the Nagasauva grid. From these Search were able to produce data sets at other electrode spacing's. Search call these multipoles and for the 50m electrode spacing's they provided 50, 100, 200 and 300m dipoles while for the 100m electrode spacing's they provided 100, 200, 300 and 400m dipoles. The advantage of acquiring these additional data is that the changing electrode separation produces different sensitivity patterns around the electrode which adds significantly to the resolution of the survey as well as providing additional information at depth. The data was inverted by ExploreGeo Pty Limited of Perth WA. The algorithm used by, was written by Heng Meng Loke (Loke). In total, 9 separate inversion runs were undertaken using both complex and linear perturbation IP models, trapezoidal and non-uniform meshes, L1 and L2 norms and low error subsets from one inversion as input for a second. The option to compute the model resolution was enabled.

Competent Person Statement

The information in this report that relates to exploration results and mineral resources for the Udu Project is based on information compiled by or work carried out under the supervision of Mr Stewart Capp. Mr Capp is an independent consultant and a fulltime employee of Derwent Geoscience (Fiji) Pte Ltd. Mr Capp has sufficient experience relevant to the styles of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Capp is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Capp consents to the inclusion in this report of the information, in the form and context in which it appears.

FINANCIAL RESULTS

The financial results of the Company for the half year ended 31 December, 2014 are:

| | 31-Dec-14 | 30-Jun-14 |
|------------------------------|-----------|-----------|
| Cash & Cash equivalents (\$) | 667,742 | 92,285 |
| Net Assets (\$) | 7,513,947 | 6,917,017 |

| | 31-Dec-14 | 31-Dec-13 |
|----------------------------------|-----------|-----------|
| Revenue (\$) | 2,141 | 3,186 |
| Net Profit (Loss) After Tax (\$) | (314,011) | 925,774 |
| Profit/(Loss) per Share (Cents) | (0.45) | 2.03 |
| Dividend (\$) | - | - |

5. SIGNIFICANT EVENTS

During the Period the following significant events took place:

- On 2 July 2014 the Company announced that it had reached agreement with Southern Cross Exploration NL (SXX) for SXX to subscribe for 15,000,000 fully paid ordinary shares in Dateline (representing 19.7% of Dateline's issued capital) following completion of the placement, at an issue price of \$0.04 per Share raising \$600,000.
- On 25 July 2014, SXX did complete the first tranche of the agreed share placement subscribing for 7,500,000 shares at \$0.04 or \$300,000.
- On 25 November 2014, SXX did complete the second tranche of the agreed share placement subscribing for 7,500,000 shares at \$0.04 or \$300,000.
- In November 2014, the Company and SXX entered into a short-term loan agreement. SXX has lent \$550,000 to the company to fund a proposed project which is currently being evaluated.
- In October 2014, the Company made a payment of \$200,000 to SXX for its assistance in a proposed project which is currently being evaluated.

6. EVENTS AFTER BALANCE SHEET DATE

Other than below, no matter or event has arisen since 31 December 2014 that would be likely to materially affect the operations of the Company, or the state of affairs of the Company not otherwise as disclosed in the Company's financial report.

In January 2015, Mr. Mark Johnson, the Company's Chairman and a shareholder of the company, lent \$2.5m to the company. The loan is a short-term loan for a period of 70 days.

7. AUDITOR'S INDEPENDENCE DECLARATION

The independence declaration of Duncan Dovico Risk & Assurance Pty Limited is set out on page 12 and forms part of the Directors' Report for the Period.

Signed in accordance with a resolution of Directors.

A handwritten signature in black ink, appearing to read 'Mark Johnson'.

Mark Johnson AO
Executive Chairman
13 March, 2015

Auditors' Independence Declaration

In relation to our review of the financial report of Dateline Resources Limited and its controlled entities for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Dateline Resources Limited and its controlled entities during the half-year ended 31 December 2014.

DUNCAN DOVICO RISK & ASSURANCE PTY LIMITED



R Megale
Director

Dated in Sydney, this 13th day of March 2015.

DATELINE FIJI PTY LIMITED
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014



| | Note | 31-Dec-14 \$ | 31-Dec-13 \$ |
|---|------|-----------------|-----------------|
| Continuing operations | | | |
| Revenue | | 2,141 | 3,186 |
| Directors fees and other benefits | | - | (5,100) |
| Writing off of assets | | - | (97,128) |
| Discount on acquisition | | - | 1,209,052 |
| Administration expenses | 4 | (316,152) | (184,236) |
| Profit/(Loss) from continuing operations before income tax | | (314,011) | 925,774 |
| Income tax expense | | - | - |
| Profit/(loss) from continuing operations after income tax | | (314,011) | 925,774 |
| Other comprehensive profit/(loss) | | | |
| Foreign Currency Translation Reserve | | 324,902 | 137,197 |
| Total comprehensive profit/(loss) for the period | | 10,891 | 1,062,971 |
| Profit/(loss) for the period is attributable to: | | | |
| Owners of the Company | | (314,011) | 925,774 |
| | | (314,011) | 925,774 |
| Total comprehensive profit/(loss) for the period attributable to: | | | |
| Owners of the Company | | 10,891 | 1,062,971 |
| | | 10,891 | 1,062,971 |
| | | <u>Cents</u> | <u>Cents</u> |
| Profit/(loss) per share from continuing operations attributable to the ordinary equity holders of the Company: | | | |
| Basic profit/(loss) per share – cents per share | | (0.45) | 2.03 |
| Diluted profit/(loss) per share – cents per share | | (0.45) | 2.03 |
| Total comprehensive profit/(loss) per share attributable to the ordinary equity holders of the Company: | | | |
| Basic profit/(loss) per share – cents per share | | 0.02 | 2.33 |
| Diluted profit/(loss) per share – cents per share | | 0.02 | 2.33 |

The above Condensed Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

DATELINE FIJI PTY LIMITED
CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 31 DECEMBER 2014



| | Note | 31-Dec-14 \$ | 30-Jun-14 \$ |
|---|------|------------------|------------------|
| Current Assets | | | |
| Cash & cash equivalents | | 667,742 | 92,285 |
| Trade & other receivables | | 54,556 | 27,024 |
| Financial Assets | | 64,147 | 60,554 |
| Total Current Assets | | <u>786,445</u> | <u>179,863</u> |
| Non-Current Assets | | | |
| Plant & equipment | | 17,812 | 24,346 |
| Exploration & evaluation expenditure | 5 | 7,458,127 | 6,905,341 |
| Total Non-Current Assets | | <u>7,475,939</u> | <u>6,929,687</u> |
| TOTAL ASSETS | | <u>8,262,384</u> | <u>7,109,550</u> |
| Current Liabilities | | | |
| Trade & other payables | | 133,908 | 70,533 |
| Loans from Related Parties | 6 | 614,529 | 122,000 |
| Total Current Liabilities | | <u>748,437</u> | <u>192,533</u> |
| Non-Current Liabilities | | | |
| Loans from Related Parties | | - | - |
| Total Non-Current Liabilities | | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES | | <u>748,437</u> | <u>192,533</u> |
| NET ASSETS | | <u>7,513,947</u> | <u>6,917,017</u> |
| Equity attributable to the equity holders of the Company | | | |
| Contributed equity | 7 | 7,763,196 | 7,177,157 |
| Reserves | 8 | 591,167 | 266,265 |
| Accumulated losses | | (840,416) | (526,405) |
| TOTAL EQUITY | | <u>7,513,947</u> | <u>6,917,017</u> |

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

| | Issued Capital | Accumulated Losses | Foreign Currency Reserve | TOTAL |
|---|---------------------------|-------------------------------|---|--------------|
| | \$ | \$ | \$ | \$ |
| Balance as at 1 July, 2013 | 7,177,157 | (526,405) | 266,264 | 6,917,017 |
| Total comprehensive Income for the Period | - | (314,011) | 324,902 | 10,891 |
| Conversion of loan to equity | - | - | - | - |
| Contributions of equity | 586,039 | - | - | 586,039 |
| Balance as at 30 June 2014 | 7,763,196 | (840,416) | 591,166 | 7,513,947 |

| | Issued Capital | Accumulated Losses | Foreign Currency Reserve | TOTAL |
|---|---------------------------|-------------------------------|---|--------------|
| | \$ | \$ | \$ | \$ |
| Balance as at 1 July, 2013 | 4,888,477 | (1,349,441) | 268,714 | 3,807,750 |
| Total comprehensive Income for the Period | - | 823,036 | (2,449) | 820,587 |
| Conversion of loan to equity | 1,583,731 | - | - | 1,583,731 |
| Contributions of equity | 704,949 | - | - | 704,949 |
| Balance as at 30 June, 2014 | 7,177,157 | (526,405) | 266,265 | 6,917,017 |

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

| | 31-Dec-14 | 31-Dec-13 |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| Cash flows used in operating activities | | |
| Payment to suppliers and employees | (275,386) | (390,899) |
| Interest received | 2,141 | 3,186 |
| Net cash flows used in operating activities | <u>(273,245)</u> | <u>(387,713)</u> |
| Cash flows used in investing activities | | |
| Payment for plant & equipment | - | (10,183) |
| Payment for exploration & evaluation expenditure | (192,460) | (1,089,632) |
| Net cash flows used in investing activities | <u>(192,460)</u> | <u>(1,099,815)</u> |
| Cash flows from financing activities | | |
| Pre reverse acquisition advances | - | 458,025 |
| Proceeds from issue of shares | 586,039 | - |
| Repayment of related party loans | (57,471) | - |
| Proceeds from borrowings | 550,000 | - |
| Net cash flows from financing activities | <u>1,078,568</u> | <u>458,025</u> |
| Net increase/(decrease) in cash and cash equivalents | 612,863 | (1,029,503) |
| Net Foreign exchange difference | (37,406) | 221,314 |
| Cash and cash equivalents acquired | - | 669,905 |
| Cash and cash equivalents at beginning of period | 92,285 | 535,399 |
| Cash and cash equivalents at end of period | <u><u>667,742</u></u> | <u><u>397,115</u></u> |

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

1. CORPORATE INFORMATION

The financial report of Dateline Resources Limited (the “Company”) covers the period from 1 July 2014 to 31 December 2015 (the “Period”). The Company was incorporated on 3 February 2011.

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

The Company is an Australian-based exploration company with exploration projects in the Republic of Fiji. The Udu Polymetallic Project in Fiji hosts an Inferred Resource of 4.5 million tonnes at 1.2% Cu, 3.9% Zn, 29g/t Ag & 0.3g/t Au in accordance with JORC 2012 Guidelines. The Company plans to focus on exploration and development of the Udu Project and pursue base metals opportunities in Australia and the South Pacific.

The address of the registered office of the Company is Level 4, 20 Loftus Street Sydney NSW 2000.

The financial report of Dateline Resources Limited for the Period was authorised for issue in accordance with a resolution of the Directors on 6th March 2015.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of compliance

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

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

It is recommended that the interim financial report be read in conjunction with the annual financial statements for the year ended 30 June 2014 and considered together with any public announcements made by the Company during the Period and up to the date of this report in accordance with the continuous disclosure obligations of the ASX Listing Rules.

Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of the historical financial information included in this report have been set out below.

Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The accounting policies and methods of computation adopted in the preparation of this financial report for the Period under review are consistent with those adopted in the annual financial statements for the year ended 30 June 2014. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior periods.

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. Dateline Fiji Pty Limited (as the deemed acquirer) has accounted for the acquisition of Dateline Resources Limited in the 2014 financial year.

Significant Events

Refer to Section 5 in the Directors' Report for details of significant events that have occurred during the period.

3. OPERATING SEGMENTS

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

| 30 June 2014 | Australia | Fiji | Consolidation Entries | TOTAL |
|---------------------------|------------|-----------|--------------------------|-----------|
| | A\$ | A\$ | A\$ | A\$ |
| Revenues | (2,141) | - | - | (2,141) |
| Segment Result | 298,953 | (129,367) | 144,425 | 314,011 |
| Total Segment Assets | 12,960,156 | 7,880,338 | (12,578,110) | 8,262,384 |
| Total Segment Liabilities | 2,363,741 | 4,789,351 | (6,404,654) | 748,438 |
| 30 June 2013 | A\$ | A\$ | A\$ | A\$ |
| Revenues | (3,784) | - | - | (3,784) |
| Segment Result | 19,810 | 28,740 | (278,839) | (230,289) |
| Total Segment Assets | 6,875,292 | 4,484,085 | (4,816,915) | 6,542,462 |
| Total Segment Liabilities | 2,333,604 | 1,475,318 | (1,074,210) | 2,734,712 |

| | 31-Dec-14 | 31-Dec-13 |
|--|------------------|------------------|
| 4. ADMINISTRATION EXPENSES | | |
| Consulting and corporate expenses | 242,674 | 131,877 |
| Compliance and regulatory expenses | 12,357 | 6,309 |
| Depreciation expenses | 4,922 | 4,744 |
| Other administration expenses | 56,199 | 41,306 |
| TOTAL ADMINISTRATION EXPENSES | 316,152 | 184,236 |
| | | |
| | 31-Dec-14 | 30-Jun-14 |
| 5. EXPLORATION & EVALUATION EXPENDITURE | \$ | \$ |
| Carrying amount of exploration expenditure | 7,458,127 | 6,905,341 |
| Movement during the Period | | |
| Balance at the beginning of the Period | 6,905,341 | 5,694,863 |
| Expenditure incurred during the Period | 552,786 | 1,298,564 |
| Tenements abandoned and written off | - | (88,087) |
| Balance at the end of the Period | 7,458,127 | 6,905,340 |

The ultimate recoupment of the costs carried forward for exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively, the sales of the respective area of interest.

The Board acknowledges that the market for metal resources has remained relatively weak and the Company's exploration activities has been minimal due to funding constraints. The Board has reviewed the situation and the status of the exploration assets and considers that their carrying value is appropriate and recoverable as at 31 December 2014. The Board has resolved that an independent valuer will be engaged in the 1st half of 2015 to estimate the fair value of the exploration assets. The result of this report will be fully disclosed in the Company's annual report for the year ended 30 June 2015.

| | 31-Dec-14 | 30-Jun-14 |
|--|------------------|------------------|
| 6. LOANS FROM RELATED PARTIES | \$ | \$ |
| Current | | |
| Amounts owed to Southern Cross Resources NL | 550,000 | - |
| Amounts owed to Mr. Mark Johnson | 64,529 | 122,000 |
| Total current loans from shareholders | 614,529 | 122,000 |
| Total non-current loans from shareholders | - | - |
| TOTAL LOANS FROM RELATED PARTIES | 614,529 | 122,000 |

7. CONTRIBUTED EQUITY

(a) Share Capital

| | Consolidated | |
|------------------|---------------------|-------------|
| | 2014 | 2013 |
| Ordinary Capital | | |
| Number of Shares | 76,300,000 | 61,300,000 |
| Paid Up | \$7,763,196 | \$7,177,157 |

(b) Movements in Share Capital

| | | Consolidated | |
|-------------|--|-------------------------|------------------|
| | | Number of Shares | \$ |
| 01 Jul 2014 | Opening Balance | 61,300,000 | 7,177,157 |
| 25 Jul 2014 | Issue of shares to Southern Cross Exploration NL | 7,500,000 | 300,000 |
| 25 Jul 2014 | Share Issue Costs | | (13,961) |
| 25 Nov 2014 | Issue of shares to Southern Cross Exploration NL | 7,500,000 | 300,000 |
| 31 Dec 2014 | Closing Balance | <u>76,300,000</u> | <u>7,763,196</u> |

8. Reserves

Foreign Currency Translation Reserve

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

10. RELATED PARTY DISCLOSURES

(i) Payment to and Loan received from Southern Cross Exploration NL

Refer to section 5 Significant events disclosed in the Directors' report.

(ii) Subsidiaries and associates

| Name of subsidiary | Country of Incorporation | Ownership Interest (%) 31.12.14 | Ownership Interest (%) 30.6.14 |
|-------------------------------|---------------------------------|--|---------------------------------------|
| Dateline Resources Ltd (a) | Australia | 50%(c) | 50%(c) |
| Matai Holdings (Fiji) Ltd (b) | Fiji | 100% | 100% |

(a) Dateline Resources Ltd completed the legal acquisition of Dateline Fiji Pty Ltd on 3rd October, 2013. The transaction is considered to be a reverse acquisition and Dateline Fiji Pty Ltd is deemed to be the accounting acquirer.

(b) Matai Holdings (Fiji) Ltd is 100% owned by Dateline Fiji Pty Ltd.

(c) This represents the deemed ownership interest % in the reverse acquisition.

11. DIVIDENDS

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

12. COMMITMENTS

There are no new contracted commitments as at 31 December 2014 (Nil as at 30 June 2014).

13. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2014 (Nil as at 30 June 2014).

14. EVENTS AFTER BALANCE SHEET DATE

Refer to Note 6 of the Directors' report.

15. GOING CONCERN

The half-year financial statements are prepared on a going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and liabilities in the normal course of business. As at 31 December 2014 the consolidated entity incurred a loss after tax of \$314,011. The result from operations is a loss after tax of \$314,011 and cash outflows from operating activities of \$273,245. The ability of the Group to continue as a going concern and to pay their debts as and when they fall due is dependent on the consolidated entity's ability to raise additional funds through either debt financing or capital raising arrangements.

Having regard to the above, the Directors have a reasonable expectation that the entity will have adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparation of the accounts.

In the Directors' opinion:

- (a) The financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the financial position as at 31 December 2014 and the performance for the period 1 July 2014 to 31 December 2014 ended on that date of the Company.
 - (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Mark Johnson'.

Mark Johnson AO
Executive Chairman
13 March, 2015

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

Report on the Condensed Half-year Financial Report

We have reviewed the accompanying half-year financial report of Dateline Resources Limited and its controlled entities, which comprises the statement of financial position as at 31 December 2014 and statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year ended 31 December 2014.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors' determine is necessary to enable the presentation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error..

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Dateline Resources Limited and its controlled entities during the half-year ended 31 December 2014, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

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

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty regarding continuation as a going concern

Without qualification to the opinion expressed above, we draw attention to Note 15 in the financial statements which states that the ability of the consolidated entity to continue as a going concern is dependent on its ability to raise additional funds through either debt financing or capital raising arrangements. Should additional funds not be generated or received, the consolidated entity may be unable to continue as a going concern and therefore, may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

DUNCAN DOVICO RISK & ASSURANCE PTY LIMITED



R Megale
Director

Dated in Sydney, this 13th day of March 2015.