DATELINE RESOURCES LIMITED

ACN 149 105 653

OFFER BOOKLET

Non-Renounceable Rights Issue

A 1 for 10 non-renounceable rights issue by Dateline Resources Limited ACN 149 105 653 of up to 71,849,581 new fully paid ordinary shares at $0.03 per share to raise up to approximately $2.155 million before costs. The rights issue is not underwritten.

Last date for acceptance and payment

5.00pm (AEST) on Friday, 4 May 2018

If you are an Eligible Shareholder (with registered address in Australia or New Zealand and hold Shares at the Record Date of 7.00pm (AEST) on Thursday, 19 April 2018), this is an important document and requires your immediate attention. This document and the accompanying Entitlement and Acceptance Form should be read in their entirety. If you are in doubt about what to do, you should consult your professional adviser without delay.

24 April 2018

Dear Shareholder

NON-RENOUNCEABLE RIGHTS ISSUE

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

The offer is available to all shareholders who are, as at 7.00pm (AEST) on Thursday, 19 April 2018 (**Record Date**), registered (in accordance with the records of the Company's share registry) with a registered address in Australia or New Zealand (**Eligible Shareholders**).

1. Introduction

1.1 Key Details

As announced on Monday, 16 April 2018, the Company invites all Eligible Shareholders to participate in a non-renounceable rights issue on the basis of 1 new fully paid ordinary share in the Company (each, a **New Share**) for every 10 existing shares in the Company (each, a **Share**) held at an issue price of $0.03 per New Share (**Issue Price**) (**Rights Issue**). Under the Rights Issue, the Company is seeking to raise up to $2.155 million. As the Rights Issue is not underwritten, there is a risk that not all New Shares will be issued.

The funds raised under the Rights Issue will primarily be used for general working capital purposes and for the continued development of the Company's Colorado Gold Links Mine (including for additional drilling, the acquisition of a 3D seismic survey and the installation of a second egress).

Any New Shares offered under the Rights Issue that are not applied for by Eligible Shareholders by the Closing Date will form part of the shortfall (**Shortfall**). The Directors reserve the right, subject to the *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules (**Listing Rules**), to allocate any Shortfall to Eligible Shareholders[1] that apply for New Shares in addition to their Entitlement (**Additional New Shares**) (refer Section 3.4) or otherwise, to place any remaining Shortfall[2] at their discretion within 3 months after the Closing Date (at a price not less than the Issue Price).

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

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

The Rights Issue is being conducted by the Company in accordance with section 708AA of the Corporations Act, without the issue of a prospectus or disclosure document under Chapter 6D of the Corporations Act. Accordingly, this Offer Booklet is not a prospectus, disclosure document or other offering document under the Corporations Act (or any other

[1] Under the terms of the Rights Issue, "related parties" (as that term is defined in section 228 of the Corporations Act) (or their associates) of the Company are not eligible to apply for Additional New Shares.
[2] Please also note that the Company will not place any part of the Shortfall to related parties (or their associates) of the Company.

Australian or foreign law) and has not been (and will not be) lodged with the Australian Securities and Investments Commission (**ASIC**).

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

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

(a) set out any information that has been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:

 (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or

 (ii) the rights and liabilities attaching to the New Shares; and

(b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

Neither ASX nor ASIC takes any responsibility for the content of this Offer Booklet.

1.3 Timetable

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

Event	Date
Announcement of Rights Issue and lodgement of Appendix 3B and section 708AA(2)(f) cleansing notice with ASX	Monday, 16 April 2018
Despatch of notice to securityholders, including option holders	Tuesday, 17 April 2018
"Ex" Date (date from which Shares trading on ASX without an entitlement to participate in the Rights Issue)	Wednesday, 18 April 2018
Record Date (date for determining entitlements to participate in the Rights Issue)	7.00pm (AEST) on Thursday, 19 April 2018
Despatch of this Offer Booklet and personalised Entitlement and Acceptance Form to Eligible Shareholders	Tuesday, 24 April 2018

Closing Date for acceptances	5.00pm (AEST) on Friday, 4 May 2018
New Shares quoted on a deferred settlement basis	Monday, 7 May 2018
Notification to ASX of under subscriptions	Wednesday, 9 May 2018
Issue of New Shares and lodgement of an additional Appendix 3B (if necessary) with ASX	Friday, 11 May 2018
Despatch of holding statements for New Shares and date on which deferred settlement in New Shares trading ends	Friday, 11 May 2018

This timetable is indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and Listing Rules, to change the dates, including the Closing Date and to accept late Applications under the Rights Issue (either generally or in particular cases) without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for the issue of the New Shares.

2. Details of the Rights Issue

2.1 The Rights Issue

The Company is making a pro-rata non-renounceable non-underwritten offer of New Shares to Eligible Shareholders to subscribe for 1 New Share for every 10 Shares held at the Record Date at the Issue Price. Fractional entitlements to New Shares will be rounded up to the nearest whole New Share.

Your entitlement to New Shares under the Rights Issue (**Entitlement**) is shown on the accompanying Entitlement and Acceptance Form. Details on how to accept your Entitlement (or part of it) are set out in Section 3. This Offer Booklet will be mailed to Eligible Shareholders on or about Tuesday, 24 April 2018 together with a personalised Entitlement and Acceptance Form.

2.2 Size of the Rights Issue

The total number of New Shares that may be issued under the Rights Issue (and any placement of the Shortfall) will be approximately 71,849,581 (the exact number depends on the rounding up of individual holdings and whether any optionholders exercise options for the issue of Shares prior to the Record Date).

The table below sets out, for illustrative purposes only, the existing capital structure (before the Rights Issue) together with the impact of the issue of the New Shares under the Rights Issue.

Shares	Number
Existing Shares as at Monday, 16 April 2018	718,495,810
Maximum number of New Shares that may be issued under the Rights Issue (see Note 1)	71,849,581

Total number of Shares on issue following completion of the Rights Issue (assuming that the Rights Issue is fully subscribed) (see Note 1)	**790,345,391**

Note 1: The above table assumes that no options are exercised before the Record Date. The Company has on issue 41,000,000 unlisted options (35,000,000 with an exercise price of $0.04 and an expiry date of 31 October 2019 and 6,000,000 with an exercise price of $0.33 and an expiry date of 27 September 2018)). If any options are exercised before the Record Date, the number of Shares on issue will increase and the number of New Shares issued under the Rights Issue will also increase.

If the Rights Issue is fully subscribed, the effect of the Rights Issue will be to increase the number of Shares on issue in the Company by up to 71,849,581 and increase the cash held by the Company by up to approximately $2.155 million (before taking into account the expenses of the Rights Issue).

2.3 Use of funds of the Rights Issue

The Company is intending to raise up to approximately $2.155 million under the Rights Issue.

The funds raised under the Rights Issue will primarily be used for general working capital purposes and for the continued development of the Company's Colorado Gold Links Mine (including for additional drilling, the acquisition of a 3D seismic survey and the installation of a second egress).

Expenses of the Rights Issue are expected to be approximately $50,000 (including legal, printing, mailing, ASX Fees and share registry).

2.4 Pro-Forma Balance Sheet

The following pro-forma consolidated balance sheet illustrates the expected effect of the Rights Issue on the Company's financial position. It has been prepared based on the reviewed half yearly financial statements as at 31 December 2017. It is not intended to represent the financial position of the Company upon completion of the Rights Issue. It is provided as an illustration of the effect of the Rights Issue only. The actual impact on the Company is dependent on a range of factors, a number of which are outside the control of the Company.

The unaudited pro-forma balance sheet as at 31 December 2017 below has been prepared on the basis of the accounting policies normally adopted by the Company and reflects the changes to its financial position as noted below. It has been prepared on the basis that the total number of New Shares that may be issued under the Rights Issue are issued. As the Rights Issue is not underwritten, there is a risk that not all New Shares will be issued.

The pro-forma balance sheet has been prepared to provide Eligible Shareholders with information on the pro-forma assets and liabilities of the Company. The pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Pro-Forma Balance Sheet 1. 100% Acceptance	31-Dec-17	Rights Issue	Adjusted
	$	$	$
Current Assets			
Cash & cash equivalents	1,033,647	2,105,487	3,139,134
Trade & other receivables	35,490	-	35,490
Financial Assets	25,472	-	25,472
Total Current Assets	1,094,609	2,105,487	3,200,096
Non-Current Assets			
Plant & equipment land & buildings	7,686,193	-	7,686,193
Exploration & evaluation expenditure	7,425,236	-	7,425,236
Total Non-Current Assets	15,111,429	-	15,111,429
TOTAL ASSETS	16,206,038	2,105,487	18,311,525
Current Liabilities			
Trade & other payables	4,137,509	-	4,137,509
Loans from Related Parties	538,697	-	538,697
Total Current Liabilities	4,676,206	-	4,676,206
Non-Current Liabilities			
Trade & other payables	1,958,270	-	1,958,270
Total Non-Current Liabilities	1,958,270	-	1,958,270
TOTAL LIABILITIES	6,634,476	-	6,634,476
NET ASSETS	9,571,562	2,105,487	11,677,049
Equity			
Contributed equity	16,722,515	2,155,487	18,878,002
Reserves	571,821	(50,000)	521,821
Other equity	960,000		960,000
Accumulated losses	(8,682,774)	-	(8,682,774)
TOTAL EQUITY	9,571,562	2,105,487	11,677,049

Pro-Forma Balance Sheet 2. 50% Acceptance	31-Dec-17	Rights Issue	Adjusted
	$	$	$
Current Assets			
Cash & cash equivalents	1,033,647	1,027,744	2,061,391
Trade & other receivables	35,490	-	35,490
Financial Assets	25,472	-	25,472
Total Current Assets	1,094,609	1,027,744	2,122,353
Non-Current Assets			
Plant & equipment land & buildings	7,686,193	-	7,686,193
Exploration & evaluation expenditure	7,425,236	-	7,425,236
Total Non-Current Assets	15,111,429	-	15,111,429
TOTAL ASSETS	16,206,038	1,027,744	17,233,782
Current Liabilities			
Trade & other payables	4,137,509	-	4,137,509
Loans from Related Parties	538,697	-	538,697
Total Current Liabilities	4,676,206	-	4,676,206
Non-Current Liabilities			
Trade & other payables	1,958,270	-	1,958,270
Total Non-Current Liabilities	1,958,270	-	1,958,270
TOTAL LIABILITIES	6,634,476	-	6,634,476
NET ASSETS	9,571,562	1,027,744	10,599,306
Equity			
Contributed equity	16,722,515	1,077,744	17,800,259
Reserves	571,821	(50,000)	521,821
Other equity	960,000		960,000
Accumulated losses	(8,682,774)	-	(8,682,774)
TOTAL EQUITY	9,571,562	1,027,744	10,599,306

Notes to the pro-forma balance sheet:

The consolidated balance sheet of 31 December 2017 has been extracted from the reviewed half-yearly financial statements. No account has been taken of any trading or transactions of the Company since 31 December 2017 except for the transactions noted below.

(a) The adjustment to share capital in the Pro-forma Balance Sheet 1 reflects the issue of 71,849,581 New Shares under the Rights Issue (ie 100% acceptance under the Rights Issue) less approximately $50,000 costs of the Rights Issue; and

(b) The adjustment to share capital in Pro-forma Balance Sheet 2 reflects the issue of 35,924,790 New Shares pursuant to the Rights Issue (ie 50% acceptance under the Rights Issue) less approximately $50,000 costs of the Rights Issue.

2.5 No rights trading

The Rights Issue is non-renounceable. Accordingly, there will be no trading of rights to subscribe for the New Shares (**Rights**) on ASX (and Rights may not be transferred or sold).

2.6 Rights Issue not underwritten

The Rights Issue is not underwritten.

Any New Shares not taken up by Eligible Shareholders by the Closing Date will form part of the Shortfall. The Directors reserve the right, subject to the Corporations Act and the Listing Rules, to place any Shortfall to Eligible Shareholders[3] that apply for Additional New Shares (refer Section 3.4) or otherwise, at their discretion within 3 months after the Closing Date[4] (at a price not less than the Issue Price).

2.7 No cooling off rights

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

2.8 Potential effect on control

Eligible Shareholders who take up their Entitlements in full should not have their interest in the Company diluted by the Rights Issue (subject to immaterial movements as a result of rounding of Entitlements).

The following persons are Shareholders holding 5% or more of the Shares:

Name	Number of Shares held (before Rights Issue)	Percent of issued capital (before Rights Issue)
Southern Cross Exploration N.L. (**SXX**)	240,015,002	33.41%
Mark Johnson (Non-Executive Director) (direct holding)	71,176,396	9.91%
Spinite P/L	60,944,569	8.48%
Mr K.D.Vinci	60,000,000	8.35%

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

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

[3] Under the terms of the Rights Issue, "related parties" (as that term is defined in section 228 of the Corporations Act) (or their associates) of the Company are not eligible to apply for Additional New Shares.
[4] Please also note that the Company will not place any part of the Shortfall to related parties (or their associates) of the Company.

(a) If all New Shares under the Rights Issue were issued (and SXX follows its rights), then the Rights Issue will have no significant effect on the control of the Company. On completion of the Rights Issue SXX is expected to hold 264,016,502 Shares, being 33.41% of the total issued capital.

(b) If an Eligible Shareholder does not take up all of their Entitlement, then the interests of those Eligible Shareholders will be diluted.

(c) The proportional interests of Shareholders with registered addresses outside of Australia and New Zealand (if any), will be diluted because such ineligible foreign Shareholders are not entitled to participate in the Rights Issue.

(d) If SXX and Mark Johnson take up their full Entitlements, but no other Eligible Shareholders participate in the Rights Issue and the Directors do not issue any of the Shortfall within 3 months of the Closing Date, the voting power of SXX and Mark Johnson will increase as shown below:

Name	Number of Shares held (before Rights Issue)	Percent of Shares (before Rights Issue)	Number of Shares held after taking up full Entitlement (after Rights Issue)	Percent of Shares (after Rights Issue)
SXX	240,015,002	33.41%	264,016,502	35.22%
Mark Johnson	71,176,396	9.91%	78,294,036	10.44%

(e) The Company does not expect the Rights Issue to have a material effect on the control of the Company. Furthermore, the Directors will not offer any Shortfall to Eligible Shareholders or new investors that would result in those persons having voting power of 20% or more in the Company.

The table below sets out the impact of the Rights Issue (assuming fully subscribed) on the capital structure of the Company:

Shares	Number
Existing shares as at Monday, 16 April 2018	718,495,810
Maximum number of New Shares to be issued under the Rights Issue	71,849,581
Total number of issued Shares following completion of the Rights Issue (assuming the Rights Issue is fully subscribed)	790,345,391

25% of Entitlements taken up by other Eligible Shareholders

Name	Number of Shares held (before Rights Issue)	Percent of Shares (before Rights Issue)	Number of Shares held after taking up full Entitlement (after Rights Issue)	Percent of Shares (after Rights Issue)
SXX	240,015,002	33.41%	264,016,502	34.30%
Mark Johnson (Non-Executive Director)	71,176,396	9.91%	78,294,036	10.17%
Spinite P/L	60,944,569	8.48%	67,039,026	8.71%
Gregory Hall (Non-Executive Director)	9,999,887	1.39%	10,999,876	1.43%
Stephen Baghdadi (Executive Director, CEO)	62,000	0.01%	68,200	0.01%

50% of Entitlements taken up by other Eligible Shareholders

Name	Number of Shares held (before Rights Issue)	Percent of Shares (before Rights Issue)	Number of Shares held after taking up full Entitlement (after Rights Issue)	Percent of Shares (after Rights Issue)
SXX	240,015,002	33.41%	264,016,502	34.00%
Mark Johnson	71,176,396	9.91%	78,294,036	10.08%
Spinite P/L	60,944,569	8.48%	67,039,026	8.63%
Gregory Hall	9,999,887	1.39%	10,999,876	1.42%
Stephen Baghdadi	62,000	0.01%	68,200	0.01%

75% of Entitlements taken up by other Eligible Shareholders

Name	Number of Shares held (before Rights Issue)	Percent of Shares (before Rights Issue)	Number of Shares held after taking up full Entitlement (after Rights Issue)	Percent of Shares (after Rights Issue)
SXX	240,015,002	33.41%	264,016,502	33.70%
Mark Johnson	71,176,396	9.91%	78,294,036	9.99%
Spinite P/L	60,944,569	8.48%	67,039,026	8.56%
Gregory Hall	9,999,887	1.39%	10,999,876	1.40%
Stephen Baghdadi	62,000	0.01%	68,200	0.01%

2.9 ASX quotation of New Shares

The Company has made an application to ASX for the New Shares to be granted quotation on ASX. If that permission is not granted by ASX, the Company will not issue any New Shares and all application monies received will be refunded (without interest) in full to the applicants. The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

Trading of the New Shares will, subject to ASX approval, occur on or about the date specified in the timetable in Section 1.3.

2.10 Issue of New Shares

Subject to the New Shares being granted quotation on ASX, the New Shares will be issued, and holding statements despatched, in accordance with the timetable in Section 1.3. It is expected that New Shares will be issued on 11 May 2018, and that updated holding statements for the New Shares will be despatched on or after 11 May 2018.

2.11 Eligible Shareholders

The Rights Issue is being made to all Eligible Shareholders who are, as at 7.00pm (AEST) on the Record Date, registered (in accordance with the records of Security Transfer Australia Pty Ltd, the Company's share registry (**Share Registry**)) with a registered address in Australia or New Zealand. This Offer Booklet and a personalised Entitlement and Acceptance Form will only be sent to Eligible Shareholders.

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

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

Ineligible Shareholders

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

(a) the number of Shareholders with addresses outside of Australia or New Zealand;

(b) the number and value of the New Shares those Shareholders would be offered under the Rights Issue; and

(c) the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

Accordingly, the Rights Issue is not being extended to, and does not qualify for distribution or sale by or to, and no New Shares will be issued to, Shareholders having registered addresses outside Australia or New Zealand.

To the extent that there are any Ineligible Shareholders registered at the Record Date, the Company will send details of the Rights Issue to each Ineligible Shareholder and advise each

Ineligible Shareholder that they will not be offered New Shares under the Rights Issue.

2.12 Overseas Shareholders

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

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

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

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

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

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

Any person in the United States or any person that is, or is acting for the account or benefit of a U.S. person with a holding through a nominee may not participate in the Rights Issue and the nominee must not take up any Entitlement or send any materials into the United States or to any person that is, or is acting for the account or benefit of, a U.S. person.

It is the responsibility of a Shareholder to ensure compliance with any laws of a country relevant to their application. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company as a representation that there has been no breach of such laws and that the applicant is an Eligible Shareholder.

2.13 Rights and liability attaching to New Shares

The New Shares will, from issue, rank equally with existing Shares. Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours or on request from the Company Secretary, John Smith, who can be contacted on +612 8231 6640.

2.14 Costs of the Rights Issue

It is expected that the costs of the Rights Issue will be approximately $50,000 (excluding GST).

2.15 Privacy Act

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

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Share Registry if you wish to do so at the relevant contact numbers set out in the Entitlement and Acceptance Form.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

3. Action required by Shareholders

3.1 Your choices

The accompanying Entitlement and Acceptance Form details the number of New Shares to which you are entitled. You may:

(a) **take up all of your Entitlement in full** (refer to Section 3.2);

(b) **take up part of your Entitlement** and allow the balance to form part of the Shortfall (refer to Section 3.3);

(c) **take up all of your Entitlement in full and apply for Additional New Shares** (refer to Section 3.4); or

(d) **not take up any of your Entitlement** and allow all of your Entitlement to form part of the Shortfall (refer to Section 3.5).

You cannot sell or transfer any of your Entitlement to another person.

That part of your Entitlement not taken up will form part of the Shortfall.

The issue price of any New Shares offered pursuant to the Shortfall will be $0.03 per New Share, being the same as the Issue Price under the Rights Issue.

The Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date. In this case, any application monies (without interest) will be returned.

3.2 Take up all of your Entitlement

If you wish to take up your Entitlement in full, complete the Entitlement and Acceptance Form in accordance with the instructions set out on the form and forward it, together with your application monies in accordance with Section 3.8 for the amount shown on the form, to reach the Share Registry by 5.00pm (AEST) on the Closing Date.

3.3 Take up part of your Entitlement

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and forward it, together with your application monies in accordance with Section 3.8, to reach the Share Registry by 5.00pm (AEST) on the Closing Date. In this case, the New Shares not taken up by you will form part of the Shortfall.

3.4 Take up all of your Entitlement and apply for New Shares additional to your Entitlement

If you wish to take up your Entitlement in full and apply for Additional New Shares (ie New Shares in addition to your Entitlement), complete the Entitlement and Acceptance Form in accordance with the instructions set out on the form and forward it, together with your application monies in accordance with Section 3.8 for the amount shown on the form, to reach the Share Registry by the Closing Date. The Company will determine the allocation of any Additional New Shares under the Shortfall offer subject to the Corporations Act and Listing Rules. Accordingly there is no guarantee that Eligible Shareholders will receive any or all of the Additional New Shares that they apply for.

3.5 Not take up any of your Entitlement

If you do not wish to accept any part of your Entitlement, you do not need to take any further action. In this case, your whole Entitlement will lapse and will form part of the Shortfall.

3.6 Shortfall

The Directors reserve the right, subject to the Corporations Act and the Listing Rules, to allocate any Shortfall (other than to Directors and related parties of the Company) to Eligible Shareholders that apply for Additional New Shares or otherwise, to place any remaining Shortfall at their discretion within 3 months after the close of the Rights Issue (at a price not less than the Issue Price).

3.7 Acceptance of your Entitlement

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

3.8 Payment for New Shares

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

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

Your cheque, bank draft or money order must be:

(a) for an amount equal to $0.03 multiplied by the number of New Shares (and Additional New Shares, if applicable to you) that you are applying for; and

(b) in Australian currency drawn on an Australian branch of a financial institution.

Payment by BPAY®

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

(a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and

(b) you are deemed to have applied for such whole number of New Shares that is covered in full by your Application Monies, whether that number is less than, equal to, or more than your Entitlement.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (AEST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

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

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

Receipts for payment will not be issued.

Application monies will be held on trust for applicants until the issue of the New Shares. Any application monies received for more than your final allocation of New Shares will be refunded (except when the amount is less than $2.00, in which case it will be retained by the Company) on or around 11 May 2018.

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

3.9 Entitlement and Acceptance Form is binding

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

3.10 Representations by Acceptance

By completing and returning your personalised Entitlement and Acceptance Form, you will be deemed to have represented to the Company that you are an Eligible Shareholder and that you:

(a) acknowledge that you have read and understand this Offer Booklet and your Entitlement and Acceptance Form in its entirety;

(b) agree to be bound by the terms of the Rights Issue, the provisions of this Offer Booklet and the Company's constitution;

(c) authorise the Company to register you as the holder of New Shares issued to you;

(d) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;

(e) declare that you are at least 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;

(f) acknowledge that once the Company receives your Entitlement and Acceptance Form or any payment of application monies, you may not withdraw your application or funds except as allowed by law;

(g) agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any application monies, at the Issue Price per New Share;

(h) authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;

(i) declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;

(j) acknowledge that the information contained in this Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;

(k) acknowledge that investments in the Company are speculative and involve risks;

(l) acknowledge that neither the Company, its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;

(m) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Rights Issue and of your holding of Shares on the Record Date;

(n) authorise the Company to correct any errors in your Entitlement and Acceptance Form or other form provided by you;

(o) represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Rights Issue as an Eligible Shareholder and you represent and warrant to the Company that there has been no breach of such laws or regulatory requirements; and

(p) you understand and acknowledge that neither the Rights Issue nor the New Shares have been, or will be, registered under the U.S. Securities Act or any US State or other securities laws in any jurisdiction, and may not be offered, sold or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws.

3.11 Brokerage

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

3.12 Governing law

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

4. General information regarding the Rights Issue

4.1 Risks

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

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

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

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

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

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

4.2 Tax consideration for investors

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

4.3 Enquiries

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

For and on behalf of

Dateline Resources Limited

Stephen Baghdadi
Chief Executive Officer