GOLDEN CROSS RESOURCES LTD
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31 January 2019

DECEMBER 2018

QUARTERLY ACTIVITIES & CASHFLOW REPORT

Majority shareholder HQ Mining Resources Holding Pty Ltd (HQ Mining) and its associates (76.46%) continued to provide funding support for the Company's activities during the Quarter via loan facilities. The Company continued discussions with HQ Mining regarding funding of future work programs, principally a Pre-feasibility Study at the Copper Hill Project.

During the December Quarter HQ Mining provided a further $100,000 as part of an $800,000 loan facility agreed in April 2018 to support the Company's operational requirements and exploration commitments. At the end of the quarter $205,000 of the requested tranches remained outstanding.

Subsequent to end of the reporting period the Company received a letter from HQ Mining stating the remaining loan funds would be provided in further instalments.

Until significant funding is achieved, activity on the Company's project portfolio is limited to review of existing data, research of new exploration techniques, and assessment of development pathways.

On 22 January 2019 the Company announced the resignation of Mr Neil Fearis as a director. Mr Fearis provided more than three years of valued service as a director and a search for a suitable replacement will commence once sustainable funding arrangements are secured.

An updated review of current projects is provided in the following pages.

REVIEW OF PROJECTS

The Golden Cross portfolio of projects is diversified both by commodity and by geological province (**Figure 1**). It includes the following projects located in well-established mineral provinces where prospectivity is underlined by significant operating mines and known mineral deposits:

- Palaeozoic Lachlan Fold Belt in NSW
  - Macquarie Arc Ordovician Porphyry Province - Copper/Gold
  - Cobar Region – Base Metals/Gold
  - Silurian VMS Province – Zinc/Copper/Gold
- South Australian Gawler Craton - Iron Oxide/Copper/Gold (IOCG)
- Northwest Queensland – Phosphate/Uranium

The portfolio has been refocused over the past two years with selected divestment of non-core properties.

Primarily, the Company is committed to progressing its Copper Hill Project in NSW once additional funding is secured.

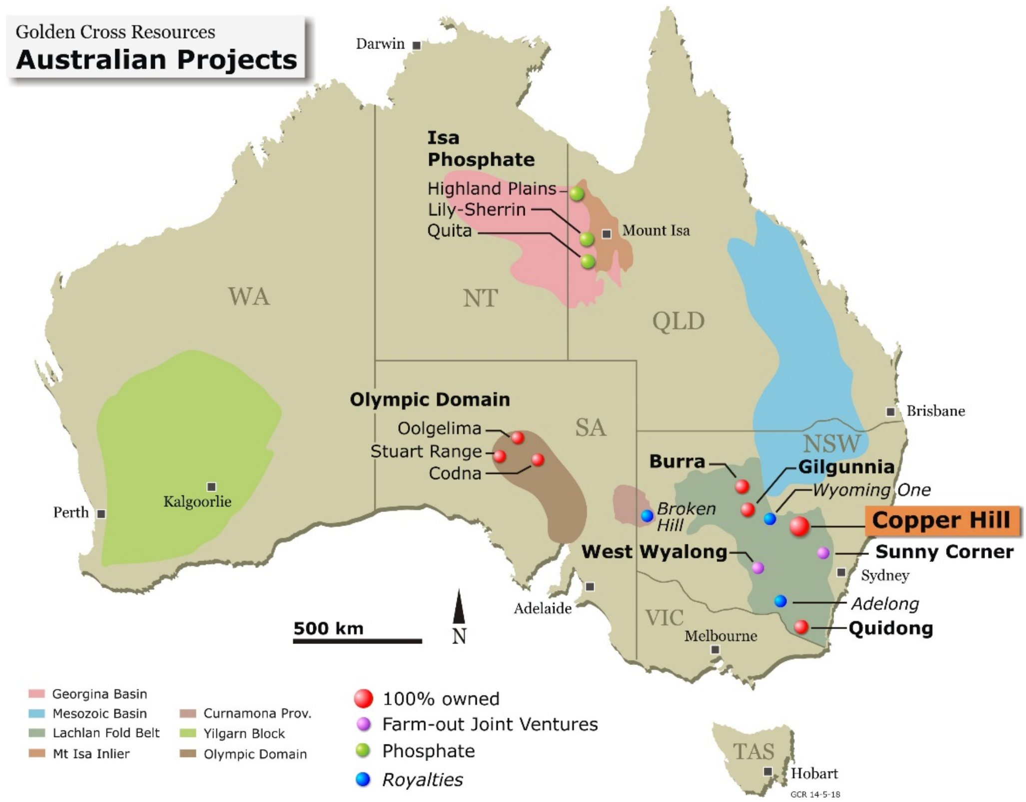


Figure 1: GCR Projects Status Map

[details of current projects are included in the Mineral Tenements Table at end of this report]

Copper Hill

GCR 100%

Copper Hill is located approximately 50 kilometres north of the Cadia Valley Project near Orange in central NSW. Cadia is one of Australia's larger producing goldmines with annual production of 599,717 ounces gold and 61,764 tonnes copper in FY 2018 from ore grading 1.12 gpt gold and 0.35% copper (Newcrest Quarterly Report June 2018).

Porphyry copper-gold deposits in the Copper Hill area occur within the same Ordovician-age Macquarie Arc volcanic belt that hosts Cadia-Ridgeway and other significant deposits. Copper Hill is located on the northern edge of a corridor formed by the interpreted WNW-trending Lachlan Transverse Zone (**Figure 2**).

The broader low grade mineralised envelope at Copper Hill encloses a higher grade core containing of 160,000 tonnes copper and 480,000 ounces gold in a JORC 2012 Resource of 28 million tonnes grading 0.56% copper and 0.53 g/t gold, calculated at a 0.4% copper cut-off (GCR: ASX 15 April 2015).

Copper Hill has been independently valued by GEOS Mining Consultants at $14.4 million (refer ASX announcement dated 21 September 2017).

In March 2015 the Company completed a Scoping Study (GCR: ASX 25 March 2015), based around the higher grade core, that identified the components required to progress towards a mining project, including:

- Drilling to extend high grade zones, provide density data, twin RC holes, clarify structural geometry controlling mineralisation, and provide resource definition data
- Resource updates utilising additional data from drilling
- Metallurgical testwork
- Mining and engineering studies and costing updates
- Environmental studies and baseline data
- Water supply sources and usage
- Land tenure and ownership
- Permitting at state and local government level

Figure 2: Copper Hill on NSW Porphyry Provinces

During the December Quarter Golden Cross continued to examine initiatives to progress exploration and development that underpin components of the proposed PFS, specifically:-

- Land tenure, ownership and access
- Ore processing technologies
- Baseline environmental data
- Permitting requirements at local government level
- Quantitative mineralogy research study to identify the complete mineralogical suite in a selection of samples from GCHD470 in the first pass. This data will be useful for mineral zonation work and future metallurgical evaluations.

For the broader tenement area a variety of research studies have been initiated:-

- relationship between carbonate depletion and soil pH above buried mineralisation [co-ordinated by Neil Rutherford, Rutherford Mineral Resource Consultants]. This work may lead to the development of a surface technique for identifying mineral targets under soil cover.
- Biogeochemical pumping of metals to surface, using cypress pine as a sampling media, following on from similar studies at Golden Cross Canbelego project and other areas in the Cobar Region.

West Wyalong

JV with Argent Minerals Ltd (ARD). ARD 78%; GCR 22%

The West Wyalong project is located immediately north along strike from the Temora Group of porphyry deposits which have Total Resources of 240 Million tonnes grading 0.3% copper and 0.3 gpt gold [*Sandfire:ASX 19 October 2017 Resources & Reserves Statement*]. ARD continued to evaluate the results of the 2017 drilling and plan follow-up work.

GCR diluted its interest in the West Wyalong project by electing not to contribute to JV expenditure during the Quarter.

SOUTH AUSTRALIA

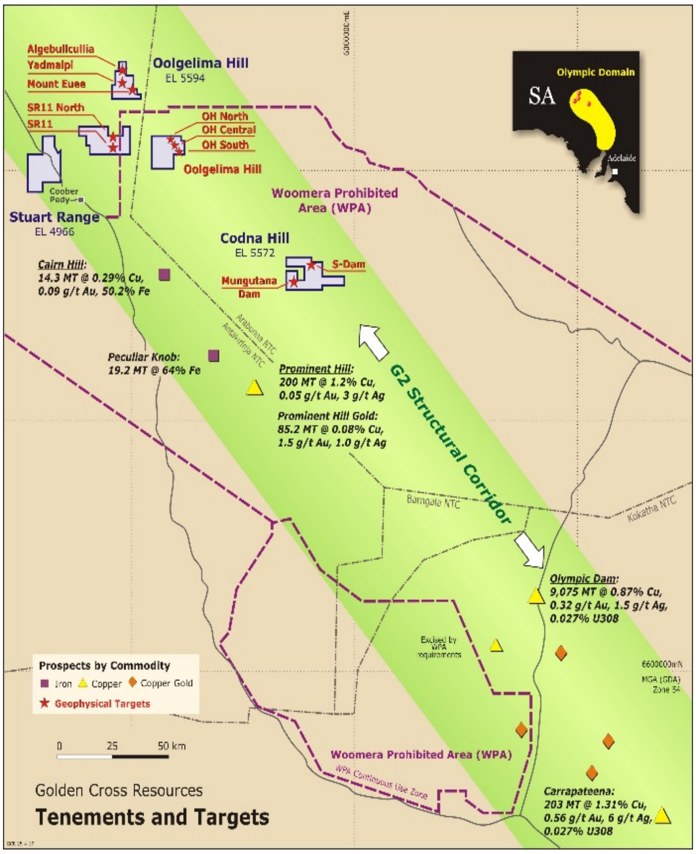
Iron Ore Copper-Gold (IOCG)

GCR 100%

The Company has identified several magnetic/gravity targets at its IOCG Project in South Australia, and three have been prioritised for drilling subject to the availability of funding. The targets are located at the north-western end of the interpreted structural corridor that contains significant copper-gold deposits at Carrapateena, Olympic Dam, Prominent Hill and Cairn Hill (**Figure 4)**.

Proposals for a three-hole drill program received State Government approvals in 2017 and native title site clearances have been achieved. However, renewal of permits for access to the Woomera Area remain subject to a Review of the Woomera Prohibited Area Coexistence Framework that was announced by the Australian Government on 11 May 2018. The report is due early 2019

Approaches continue to be received from parties interested in farming in to these properties.



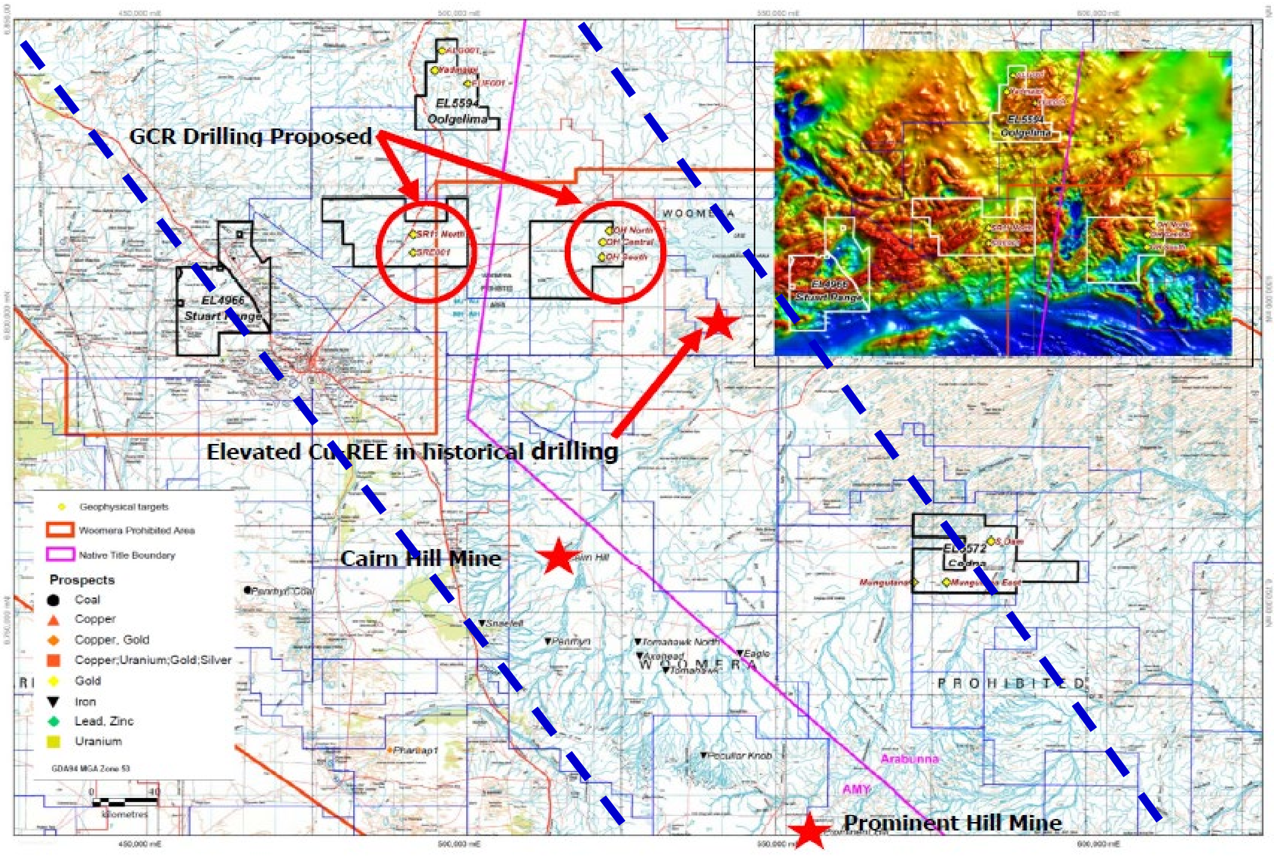


Figure 4: Gawler Craton Projects: Location & Drill Targets
(inset shows targets on magnetic image)

COBAR REGION

GCR 100%

The Cobar region is well endowed with high grade polymetallic deposits supporting long life mining operations. After divestments, GCR has a residual holding of strategically located tenements (**Figure 5**) in two areas.

Canbelego – along strike from Mt Boppy Goldmine. Further geochemical research consisting of innovative biogeochemical sampling has been completed and results are awaited.

Gilgunnia – the Kilparney Extended tenement is well located relative to recent exploration and discovery activity in the region. Land access issues that stalled implementation of planned surface work including gravity surveys remain to be resolved. In December Golden Cross submitted a proposal to participate in a regional Airborne EM survey being co-ordinated by the NSW Geological Survey.

Subject to the availability of funding, GCR is well placed to seek new opportunities based on its long term operating experience in the region.

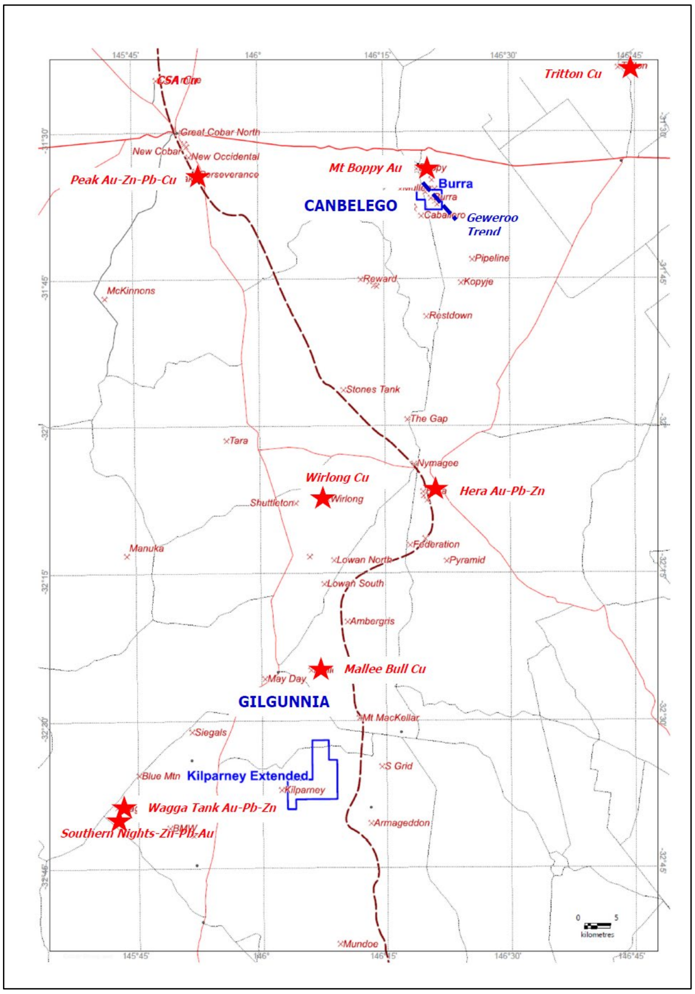


Figure 5: Cobar Region Projects

LACHLAN VMS PROVINCE

Silurian formations prospective for volcanic-associated massive sulphide (VMS) deposits extend over 300km from the Orange-Bathurst region in NSW through Woodlawn and Captain's Flat and southwards into eastern Victoria.

Quidong

GCR 100%

Quidong has extensive occurrences of carbonate-hosted zinc/lead and gold mineralisation, and potential intrusive-related gold mineralisation, which occurs elsewhere in the region. Previous data and GCR field reconnaissance have identified high grade zinc-lead-gold drill targets which remain to be tested. Electrical prospecting methods were previously trialled but the large amount of conductive sulphidic rock in the area has rendered the results inconclusive and alternative techniques for refining drill targets are being evaluated.

During the December Quarter a core drilling program was developed to test specific geologic targets with up to 4 staged holes. Government environmental approvals have been received and commencement is subject to land access, drill rig availability, and funding.

Sunny Corner

JV with Argent Resources Ltd (ARD). ARD 70%; GCR 30%

Argent has not reported any field activity during the Quarter.
EL5964 was renewed for a further 3 years to 12 July 2021

ISA PHOSPHATE, QUEENSLAND

GCR subsidiary, King Eagle Resources Pty Ltd (King Eagle), holds 100% of three deposits: Highland Plains, Lily & Sherrin Creek and Quita Creek (**Figure 6**), which account for a third of the historical phosphate resources of the province.

The Highland Plains phosphate deposit extends westwards into the Northern Territory where the western part is held by POZ Minerals Ltd (POZ). A maiden JORC 2004 Resource for the western part of Highland Plains was announced by POZ on 31 March 2009.

The Quita Creek deposit is 25 kilometres southwest from the Ardmore deposit acquired by Centrex Metals Ltd (CXM) in 2017 [**Figure 6].** A feasibility study into development of nearby Ardmore was announced on 8 October 2018, which provides an analogy for progressing Quita Creek if sufficient higher grade phosphate resources can be delineated.

During the Quarter compilation and review of the historical data continued to evaluate high grade phosphate zones following recommendations of the data review completed by consultants Orewin Pty Ltd in September 2018. Further investigation into mineralogical characteristics was undertaken to ascertain the work program required to upgrade the historical Resources to JORC 2012 compliance, and determine what additional drilling is required..

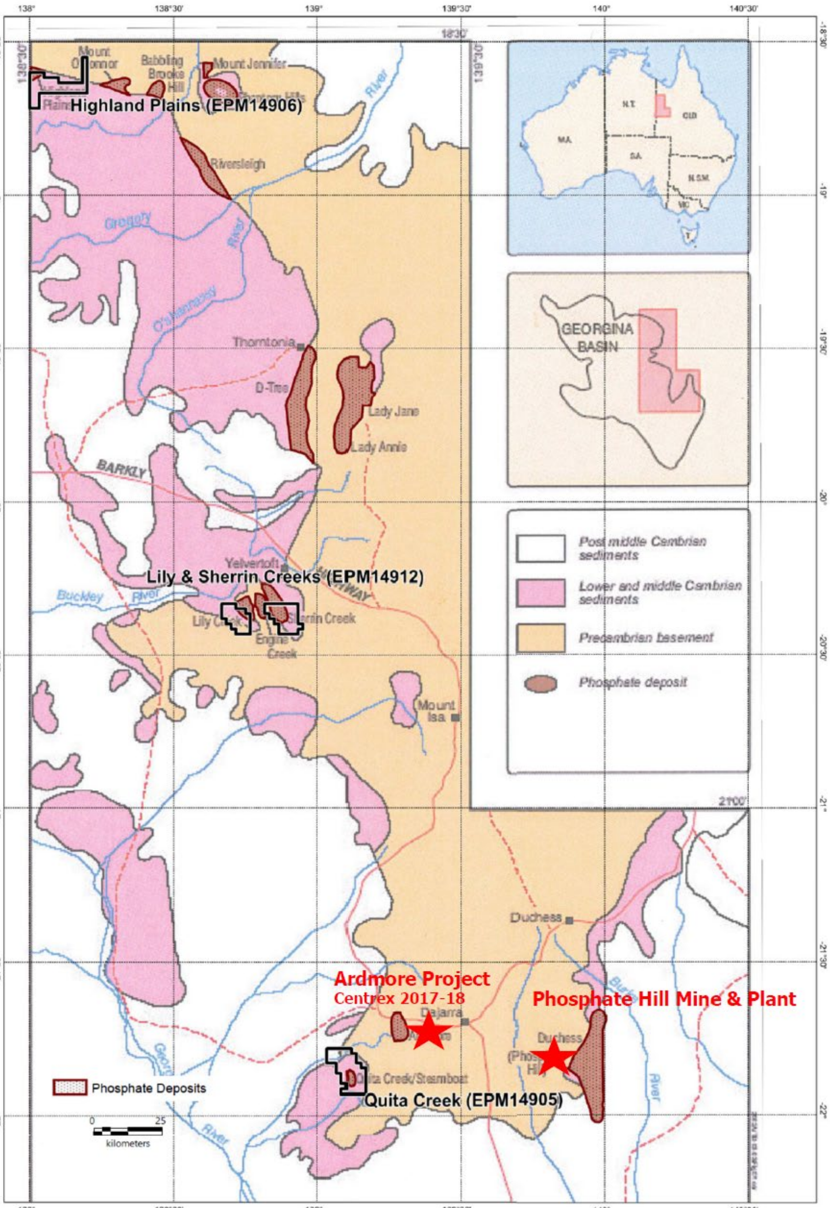


Figure 6: Isa Phosphate Projects

[based on map by Roger & Keevers, 1976 "Lady Annie-Lady Jane Phosphate Deposits, Georgina Basin, Queensland" In Economic Geology of Australia & Papua New Guinea, AusIMM Monograph 4]

INTERESTS IN MINERAL TENEMENTS (as at 31 December 2018)

	TENEMENT NAME	TENEMENT	km^2	HOLDER (2)	% HOLDING	JOINT VENTURER/NOTES
NEW SOUTH WALES						
Orange Region	Copper Hill	EL 6391	95	GCO	100	
Cobar Region	Burra	EL 7389	15	GCO	100	
	Kilparney Extended	EL 8270	66	GCO	100	
Southeast Lachlan	Quidong	EL 7989	98	GCO	100	
	Sunny Corner JV	EL 5964	55	GCO	30	ARD (2)
West Wyalong	West Wyalong JV	EL 8430	43	GCO	22	ARD (1)
QUEENSLAND						
Mount Isa	Quita Creek	EPM 14905	276	KER	100	
	Highland Plains	EPM 14906	300	KER	100	
	Lily & Sherrin Creek	EPM 14912	300	KER	100	
SOUTH AUSTRALIA						
Coober Pedy	Oolgelima	EL 5594	472	GCR	100	
	Stuart Range	EL 4966	189	GCR	100	
	Codna Hill	EL 5572	209	GCR	100	
PANAMA	El Cope	2007-95	98	GCRP	90	Application; MTI (3)

Notes

E/EL/ELA = Exploration Permit/Licence/Application; EPM = Exploration Permit for Metals

Full names for abbreviations are as follows:

GCO	Golden Cross Operations Pty Ltd, a wholly owned subsidiary of GCR
KER	King Eagle Resources Pty Limited, a wholly owned subsidiary of GCR
ARD	Argent Minerals Limited (ASX: ARD)
GCRP	GCR Panama, Inc, a wholly owned subsidiary of GCR
MTI	MapIntec Technologies Inc.

(1) ARD earned 51% in the West Wyalong Joint Venture by spending $750,000 by 1 June 2011. On 21 April 2017 ARD advised additional expenditure totalling $600,000 (for a total expenditure of $1,350,000) by 30 June 2017 was achieved, increasing its JV interest to 70%. Further expenditure by ARD in 2018 has increased its JV interest to 78% with GCR diluting to 22%. Royal Gold Inc holds a 2.5% net smelter return.

(2) ARD earned 51% in the Sunny Corner Joint Venture by spending $500,000 by 1 June 2011 in Stage 1. It earned 70% by additional expenditure of $186,000 (for a total expenditure of $686,000) by July 2013.

(3) MapIntec Technologies Inc., a Panamanian company, has a 10% interest free-carried to a decision to mine.

References to Previous Releases

24 March 2015 – “Copper Hill Resource Estimate”

15 April 2015 – “Scoping Study”

21 September 2017 – “Valuation Update”

***Compliance Statement**: The information in this report that relates to Exploration Results is based on information compiled by Mr Bret Ferris, who is a Member of the Australasian Institute of Geoscientsts. (AIG). Mr Ferris is a consultant to, and Acting CEO of, Golden Cross Resources Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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”. Mr Ferris consents to the inclusion in this report of the matters based on that information in the form and context in which it appears.*

***The Production Target and the Mineral Resources** on which it is based are extracted from reports released to the ASX by GCR on 24 March 2015 and 15 April 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the production target in the report dated 15 April 2015 continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.*

***Forward-Looking Statements:** This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning planned exploration program and other statements that are not historical facts. When used in this document, the words such as “could,” “plan,” “estimate,” “expect,” “intend,” “may,” “potential,” “should,” and similar expressions are forward-looking statements. Although Golden Cross Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.*

Corporate Directory

Board of Directors as at 31 December 2018

Ken Hellsten	Non-Executive Chairman
Xiaoming Li	Non-Executive Director
Yuanheng Wang	Non-Executive Director
Neil Fearis	Non-Executive Director
Yan Li	Alternate Director for Xiaoming Li

Acting Chief Executive Officer
Bret Ferris

Exploration Manager
Bret Ferris

Issued Share Capital
Golden Cross Resources Ltd has 101,622,227 ordinary shares on issue as at 30 June 2018.

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+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

GOLDEN CROSS RESOURCES LTD

ABN	Quarter ended ("current quarter")
ABN 65 063 075 178	**31st December 2018**

Consolidated statement of cash flows			Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		-	14
1.2	Payments for			
	(a)	exploration & evaluation	(113)	(228)
	(b)	development	-	-
	(c)	production	-	-
	(d)	staff costs (excluding direct exploration salaries)	(35)	(74)
	(e)	administration and corporate costs	(106)	(224)
1.3	Dividends received (see note 3)			
1.4	Interest received		1	4
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Research and development refunds		-	-
1.8	Other (provide details if material)		-	-
1.9	**Net cash from / (used in) operating activities**		**(253)**	**(507)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire:			
	(a)	property, plant and equipment	(1)	(1)
	(b)	tenements (see item 10)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (net tenement security deposit refunds)	-	120
2.6	**Net cash from / (used in) investing activities**	**(1)**	**119**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	100	270
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**100**	**270**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	322	287
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(253)	(507)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	119
4.4	Net cash from / (used in) financing activities (item 3.10 above)	100	270

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**168**	**172**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	168	122
5.2	Call deposits	-	200
5.3	Bank overdrafts	-	-
5.4	Other (provide details). Receivable see 8.	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**168**	**322**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	47
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Payment of director's fees, entitlements and expenses

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	Nil
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	1,600	1,395
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Loan facility (dated 27 August 2017) (unsecured) with HQ Mining $800K @ 9.75% interest pa.(Amended from $700K) (Fully drawn down. Repayable 16 July 2019). Repayable by due date (unless extended) or at a completion of capital raising by way of a share issue.

A further loan facility of $800K is available on the same terms, and has been drawn down by $595K.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	90
9.2	Development	-
9.3	Production	-
9.4	Staff costs (excluding exploration salaries)	35
9.5	Administration and corporate costs	80
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**205**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	West Wyalong EL8430	Exploration	21.86%	21.80%
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: .... Date: ....
(Director/Company secretary)

Print name: Carl Hoyer, Company Secretary

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.