

Golden Cross Resources Ltd
ABN 65 063 075 178

Half-Year Financial Report

31 December 2014

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Company Particulars

| | |
|---|---|
| Directors: | <p>Jingmin Qian, CFA, MBA, BEc, FAICD <i>Interim Chairman</i></p> <p>Kim Stanton-Cook, BA (Geology and Geophysics), MAIG, GSA, ASEG, SEG resigned 17th December 2014 <i>Managing Director</i></p> <p>Ian Buchhorn, BSc (Hons), Dip Geosci (min Econ), MAusIMM <i>Non-executive Director</i></p> <p>Xun (Suzanne) Qiu ceased 28th November 2014 <i>Non-executive Director</i></p> <p>Xiaoming Li, MBA, BA (Commerce) <i>Non-executive Director</i></p> <p>Yuanheng Wang appointed 28th November 2014 <i>Non-executive Director</i></p> <p>Yan Li, MBA <i>Alternate Director for Xiaoming Li</i></p> |
| Chief Executive Officer | Kenneth Hellsten BSc (Hons), F Aus IMM, MAICD appointed 17 th December 2014 |
| Company Secretary | Simon Lennon, MCom, MBA, BSc, LLB, FCIS ceased 17 th December 2014. Mark Langan, BBus CA appointed 17 th December 2014 |
| Principal and Registered Office: | 22 Edgeworth David Avenue Hornsby NSW 2077 |
| Share Register: | Boardroom Pty Limited Level 2 28 Margaret Street Sydney NSW 2000 |
| Auditors: | Ernst & Young 680 George Street Sydney NSW 2000 |
| Stock Exchange Listing: | Golden Cross Resources Ltd's shares are quoted on the Australian Stock Exchange (Listing code GCR) |

Directors' Report

Your Directors present their report on the consolidated entity consisting of Golden Cross Resources Ltd ("Golden Cross" or the "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2014.

Directors

The following people were Directors of Golden Cross during the whole of the half-year and up to the date of this report, unless otherwise stated:

| | |
|-------------------|---|
| Jingmin Qian | Appointed Interim Chairman from 23 rd October 2014 |
| Steve Gemell | Resigned 14 th October 2014 |
| Kim Stanton-Cook | Resigned 17 th December 2014 |
| Ian Buchhorn | |
| Xiaoming Li | |
| Xun (Suzanne) Qiu | Ceased 28 th November 2014 |
| Yuanheng Wang | Appointed 28 th November 2014 |
| Yan Li | (Alternate Director for Xiaoming Li) |

Review and Results of Operations

The consolidated loss of the consolidated entity for the six months to 31 December 2014, after providing for income tax, was \$4.745 million, (31 December 2013: loss of \$0.684 million).

The Company continued its principal activity of minerals exploration and development of precious and base metals projects in Australia.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration to the Directors as required under section 307C of the *Corporations Act 2001* is set out on page 5, and forms part of the Directors Report.

Rounding

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the Directors.



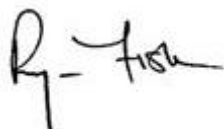
Jingmin Qian, Chairman
12 March 2015, Sydney

Auditor's Independence Declaration to the Directors of Golden Cross Resources Limited

In relation to our review of the financial report of Golden Cross Resources Limited for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Ryan Fisk
Partner
Sydney
12 March 2015

Statement of Comprehensive Income

For the half-year ended 31 December 2014

| | Notes | Consolidated 6 months to 31 Dec 2014 \$'000 | 6 months to 31 Dec 2013 \$'000 |
|--|-------|---|---|
| Interest Income | 3 | 29 | 15 |
| Deferred exploration expenditure written off | | (4,165) | (232) |
| Impairment of AFS investments | | - | (25) |
| (Loss)/Gain on sale of AFS investments | | (3) | 66 |
| Other expenses from ordinary activities | | (606) | (508) |
| Loss before tax and finance costs | | (4,745) | (684) |
| Loss before income tax | | (4,745) | (684) |
| Income tax benefit | | - | - |
| Loss after income tax | | (4,745) | (684) |
| Other comprehensive income | | - | - |
| <i>Items that may be reclassified subsequently through profit and loss</i> | | | |
| Net (loss)/gain on available for sale investments net of tax | | (2) | 3 |
| Total comprehensive loss for the period | | (4,747) | (681) |
| Basic loss per share (cents) | 2 | (5.02) | (0.91) |
| Diluted loss per share (cents) | 2 | (5.02) | (0.91) |

Statement of Financial Position

As at 31 December 2014

| | Notes | Consolidated 31 December 2014 \$'000 | Consolidated 30 June 2014 \$'000 |
|--|-------|--|--|
| ASSETS | | | |
| Current Assets | | | |
| Cash assets | | 542 | 2,442 |
| Trade and other receivables | | 262 | 273 |
| Prepayments | | 31 | 35 |
| Asset held for sale | | 275 | - |
| Investments | 7 | - | 27 |
| Total Current Assets | | 1,110 | 2,777 |
| Non-Current Assets | | | |
| Property, plant and equipment | 7 | 435 | 449 |
| Other receivable | | 458 | 445 |
| Exploration and evaluation expenditure | 6 | 11,562 | 14,801 |
| Total Non-Current Assets | | 12,455 | 15,695 |
| Total Assets | | 13,565 | 18,472 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Payables | | 145 | 246 |
| Provisions | | 70 | 166 |
| Total Current Liabilities | | 215 | 412 |
| Non-Current Liabilities | | | |
| Provisions | | 10 | 10 |
| Total Non-Current Liabilities | | 10 | 10 |
| Total Liabilities | | 225 | 422 |
| NET ASSETS | | 13,340 | 18,050 |
| EQUITY | | | |
| Issued capital | 4 | 57,844 | 57,812 |
| Reserves | | 914 | 911 |
| Accumulated losses | | (45,418) | (40,673) |
| TOTAL EQUITY | | 13,340 | 18,050 |

Statement of Changes in Equity

For the half-year ended 31 December 2014

| | Issued Capital | Share-based Compensation Reserve | Net Unrealised Gain Reserve | Accumulated Losses | Total |
|--|-------------------|--|-----------------------------------|-----------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated | | | | | |
| As at 1 July 2014 | 57,812 | 909 | 2 | (40,673) | 18,050 |
| Loss for the period | - | - | - | (4,745) | (4,745) |
| Net loss on AFS (Available For Sale) | - | - | (2) | - | (2) |
| Investments | - | - | (2) | - | (2) |
| Total comprehensive income and expenses for the period | - | - | (2) | (4,745) | (4,747) |
| Employee options | - | 5 | - | - | 5 |
| Share issues | 32 | - | - | - | 32 |
| Cost of share issues | - | - | - | - | - |
| As at 31 December 2014 | 57,844 | 914 | - | (45,418) | 13,340 |
| Consolidated | | | | | |
| As at 1 July 2013 | 55,215 | 909 | 6 | (39,197) | 16,933 |
| Loss for the period | - | - | - | (684) | (684) |
| Net loss on AFS (Available For Sale) | - | - | 3 | - | 3 |
| Investments | - | - | 3 | - | 3 |
| Total comprehensive income and expenses for the period | - | - | 3 | (684) | (681) |
| Employee options | - | - | - | - | - |
| Share issues | 757 | - | - | - | 757 |
| Cost of share issues | (33) | - | - | - | (33) |
| As at 31 December 2013 | 55,939 | 909 | 9 | (39,881) | 16,976 |

Statement of Cash Flows
For the half-year ended 31 December 2014

| | 6 months to 31 Dec 2014 \$'000 | 6 months to 31 Dec 2013 \$'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Payments to suppliers and employees | (765) | (513) |
| Interest received | 29 | 15 |
| Other, including receipts from farm-in partners | - | - |
| Net cash outflow from operating activities | (736) | (498) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for plant and equipment | (1) | (1) |
| Payments for exploration and evaluation | (1,189) | (643) |
| Proceeds from sale of Investments | 22 | 232 |
| Brokerage fees | - | (3) |
| Loan repayment | 2 | - |
| Security deposits | 2 | - |
| Net cash outflow from investing activities | (1,164) | (415) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from the issue of shares | - | 679 |
| Cost of share issue | - | (18) |
| Net cash inflow/(outflow) from financing activities | - | 661 |
| NET DECREASE IN CASH HELD | (1,900) | (252) |
| Cash at beginning of reporting period | 2,442 | 1,359 |
| CASH AT THE END OF THE REPORTING PERIOD | 542 | 1,107 |

Notes to the Half-Year Financial Statements

For the Half-year ended 31 December 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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 consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of Golden Cross Resources Ltd ("Golden Cross" or the "Company") as at 30 June 2014.

It is also recommended that the half-year financial report be considered together with public announcements made by Golden Cross during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year financial report has been prepared on an historical cost basis, except investments which are measured at fair value. The half-year financial report is presented in Australian dollars.

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Going Concern

The Group is involved in the exploration and evaluation of mineral tenements. Further expenditure will be required upon these tenements to ascertain whether they contain economically recoverable reserves.

For the half year ended 31 December 2014, the Group reported a net loss of \$4,745,000 (2013: \$684,000) and net operating cash outflows of \$736,000 (2013: \$498,000). The operating cash outflows and investment activities have been funded by cash reserves. As at 31 December 2014, the Group had net current assets of \$895,000 (30 June 2014: \$2,365,000 including cash reserves of \$542,000 (30 June 2014: \$2,442,000).

The balance of these cash reserves may not be sufficient to meet the Group's expenditure, including exploration activities, and operating and administrative expenditure, for the next 12 months. The Group has exploration commitments over the next 12 months from 1 January 2015 totalling \$293,000 and additional required expenditure.

Notwithstanding the above, the financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. To continue as a going concern, the Group requires additional funding to be secured from sources including but not limited to:

- a further equity capital raising; and/or
- the generation of sufficient funds from operating activities including the successful development of the existing tenements.

Having carefully assessed the uncertainties relating to the likelihood of securing additional funding, the Group's ability to effectively manage their expenditures and cash flows from operations and the opportunity to farm out participating interests in existing permits, the Directors believe that the Group will continue to operate as a going concern for the foreseeable future. Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

In the event that the assumptions underpinning the basis of preparation do not occur as anticipated, there is significant uncertainty whether the Group will continue to operate as a going concern. If the Group is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the classification of liabilities that might be necessary should the Group not continue as a going concern.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of Golden Cross and its subsidiaries ("the Group").

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(c) Significant accounting policies

The consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2014. There were a number of standards and interpretations that were mandatory for reporting periods beginning on or after 1 July 2014. Adoption of those standards did not have any significant effect on the financial position or performance of the Group.

2. LOSS PER SHARE

| | HALF YEAR | |
|---|------------------------------|------------------------------|
| | 31 December 2014 Cents | 31 December 2013 Cents |
| Basic loss per share | (5.02) | (0.91)* |
| Diluted loss per share | (5.02) | (0.91)* |
| | No of Shares | No of Shares |
| Weighted average number of ordinary shares used as the denominator in calculating basic and dilutive loss per share | 94,515,389 | 75,055,389* |
| Weighted average number of ordinary shares and dilutive potential ordinary shares. By reason of the losses recorded in both periods, dilutive potential ordinary shares are not used in calculating diluted loss per share. | 94,515,389 | 75,055,389* |

*Adjusted for 1 for 20 share consolidation.

As at 31 December 2014, the weighted average number of options that were not included in the calculation of loss per share as they are antidilutive: 90,164 (2013: 2,934*)

| | \$'000 | \$'000 |
|--|--------|--------|
| Loss used in calculating basic loss per share: | 4,745 | 684 |
| Loss used in calculating diluted loss per share: | 4,745 | 684 |

3. OTHER EXPENSES

| | HALF YEAR | |
|-----------------------------|---------------------|---------------------|
| | 31 Dec 14 \$'000 | 31 Dec 13 \$'000 |
| Employee costs | 315 | 235 |
| Directors Fees | 79 | 60 |
| Office rent | 42 | 41 |
| Share registry | 21 | 17 |
| Stock exchange fees | 21 | 15 |
| Insurance | 20 | 21 |
| Audit fees | 14 | 32 |
| Communications | 15 | 21 |
| Other | 79 | 66 |
| Total Other expenses | 606 | 508 |

4. ISSUED CAPITAL

| | 31 Dec 14 Shares | 30 June 14 Shares | 31 Dec 14 \$'000 | 30 June 14 \$'000 |
|--------------------|---------------------|----------------------|---------------------|----------------------|
| Opening Balance | 94,464,987 | 94,464,987 | 57,812 | 57,812 |
| Share issues* | 307,457 | - | 32 | - |
| Share Issue Costs* | - | - | - | - |
| Closing Balance | 94,772,444 | 94,464,987 | 57,844 | 57,812 |

As a result of the EGM held on 28th August 2014 a 1 for 20 share consolidation has taken place.

Recognised share-based payment expenses

The expenses recognised for employee services received during the year is shown in the table below:

| | 31 Dec 14 \$'000 | 30 June 14 \$'000 |
|--|---------------------|----------------------|
| Payments by way of options to directors and employees under Employee Option Plan (value of options vested during the period) | | |
| Total | 5 | - |

Golden Cross Resources Employee Option Plan

The Golden Cross Resources Employee Option Plan was re-approved by shareholders at the general meeting of shareholders held on 28th November 2014. All employees (including directors and consultants) of Golden Cross Resources Ltd and its controlled entity are eligible to participate in the plan. Employee options vest as follows: on date of grant, 10%; after 1 year, 30%; after 2 years, 60%; after 3 years, 100%. The number of employee options on issue at any time must not exceed 5% of the issued capital of the Company at that time.

At 31 December 2014 the Company had on issue 500,000 employee options exercisable at 14 cents

| | Number | Exercise Price | Expiry Date |
|---|---------|----------------|-------------|
| Golden Cross Resources Employee Option Plan Options | 500,000 | 14 cents | 28 Nov 2017 |

Valuation inputs for employee options issued that have not fully vested are as follows:

| Grant Date | Expiry Date | Exercise price | Dividend yield | Expected volatility * | Risk free interest rate | Expected life of option years | Share Price at Grant date | Fair Value at Grant date |
|------------|-------------|----------------|----------------|-----------------------|-------------------------|-------------------------------|---------------------------|--------------------------|
| 28.11.14 | 28.11.17 | 14 cents | 0% | 170% | 2.1% | 3 | 8 cents | 6.6 cents |

5. SEGMENT REPORTING

The operating segments are reviewed and managed by the Chief Operating Decision Maker based on the costs incurred for each exploration tenement throughout the reporting period, which are capitalised to operating segment assets. The operating segments identified by management are based on areas of interest. Expenditure incurred and capitalised for these tenements is disclosed in note 6.

No segment revenues are disclosed within the current financial report as each exploration tenement is not at a stage where revenues have been earned.

Expenses included in the statement of comprehensive income which have not been capitalised to operating segment assets are unallocated as they are not considered part of the core operations of any segment.

OPERATING SEGMENTS

| | Copper Hill | Rest of Australia | Panama | Total |
|------------------------------------|---------------|-------------------|----------|---------------|
| 31 December 2014 – (\$'000) | | | | |
| Capitalised expenditure | 11,279 | 283 | - | 11,562 |
| PPE | 400 | 35 | - | 435 |
| Other non-current assets | - | 458 | - | 458 |
| Total non-current assets | 11,679 | 776 | - | 12,455 |
| 30 June 2014 – (\$'000) | | | | |
| Capitalised expenditure | 9,699 | 4,792 | - | 14,801 |
| PPE | 404 | 45 | - | 449 |
| Other non-current assets | - | 445 | - | 445 |
| Total non-current assets | 10,103 | 5,282 | - | 15,695 |

| | 31 Dec 2014 \$'000 | 30 June 2014 \$'000 |
|---|-----------------------|------------------------|
| Reconciliation to total assets: | | |
| Total assets by reportable assets | 12,455 | 15,695 |
| Cash and cash equivalents | 542 | 2,442 |
| Trade and other receivables | 262 | 273 |
| Asset held for sale | 275 | - |
| Prepayments | 31 | 35 |
| Investments | - | 27 |
| Total assets per Statement of financial position | 13,565 | 18,472 |

6. EXPLORATION AND EVALUATION EXPENDITURE

| | HALF YEAR | |
|--|-------------------------------|-------------------------------|
| | 31 December 2014 \$'000 | 31 December 2013 \$'000 |
| <i>Exploration Assets</i> | | |
| Costs brought forward | 14,801 | 14,315 |
| Expenditure incurred during the period | 1,201 | 409 |
| Transferred to Asset held for Sale | (275) | - |
| Impairment* | (4,165) | (174) |
| Costs carried forward | 11,562 | 14,550 |
| <i>Costs incurred on current areas of interest</i> | | |
| - Baykool North | - | 24 |
| - Burra | 17 | 50 |
| - Cargo | 7 | 11 |
| - Codna Hill | 11 | 37 |
| - Copper Hill | 1,066 | 102 |
| - Delaney's Tank | 1 | 7 |
| - Guapa Tank | 2 | 1 |
| - Oolgelima Hill | 3 | 82 |
| - Quidong | 47 | 11 |
| - Rast | 3 | 29 |
| - Other Properties | 44 | 55 |
| | 1,201 | 409 |

*During the period the Mulga Tank tenements (1,089k) were impaired in preparation for sale at 275k, Burra (801k), Oolgelima Hill (529k) and a collection of other tenements (1,746k) were written off in full as the licenses have been or are planned to be relinquished.

7. FINANCIAL INSTRUMENTS

| | 31 Dec 2014 000's | 30 June 2014 000's |
|-------------|-------------------------|--------------------------|
| Investments | - | 27 |
| Fair value | | |

The Company has available to it various methods in estimating the fair value of listed investments. The methods comprise:

Level 1 - the fair value is calculated using quoted prices in active markets.

Level 2 - the fair value is estimated using inputs other than quotes prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the listed investments was calculated using the level 1 method. The carrying values of trade receivables and trade payables are recorded in the financial statements approximates their respective net fair values, in accordance with the accounting policies outlined in note 2 of the annual report. The non-current other receivable was impaired at 30 June 2014 to an amount that approximates fair value, at 31 December 2014 there has been no significant change in the inputs that would indicate that the carrying value of the asset would not approximate the fair value.

8. COMMITMENTS

Commitments in relation to non-cancellable operating leases contracted for are payable as follows:

| | 31 Dec 2014 \$'000 | 30 June 2014 \$'000 |
|--|-----------------------------------|------------------------------------|
| Operating Leases | | |
| Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows: | | |
| Not later than 1 year | 89 | 88 |
| Later than 1 year but not later than 2 years | - | 44 |
| Later than 2 years | - | - |
| Commitments not recognised in the financial statements | <u>89</u> | <u>132</u> |

Exploration Commitments

In order to maintain current rights of tenure to exploration tenements, the economic entity has the following discretionary exploration expenditure requirements up until expiry of the leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements, exclude commitments on tenements farmed out and are payable.

| | | |
|--|------------|------------|
| Not later than 1 year | 293 | 552 |
| Later than 1 year but not later than 2 years | 516 | 234 |
| Later than 2 years | - | - |
| | <u>809</u> | <u>786</u> |

9. SUBSEQUENT EVENTS

The Company is not aware of any significant events that have occurred after the reporting date which require disclosure, except as follows:

- The sale of Mulga Tank tenements to Impact Minerals was settled in full. A deposit of \$25k was received on 21st January and the final payment of \$250k was received on 4th March 2015.
- On 6 March 2015 the Company announced to the Australian Securities Exchanges a Share Purchase Plan (SPP) offering eligible shareholders to subscribe for up to \$15,000 of new fully paid ordinary shares at a price of \$0.06. The SPP will open on 12 March and close on 1 April 2015.

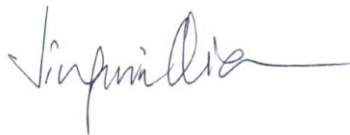
Directors' Declaration

In accordance with a resolution of the directors of Golden Cross Resources Ltd, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity 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 half year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in dark ink, appearing to read 'Jingmin Qian', with a long horizontal flourish extending to the right.

Jingmin Qian, Chairman

12 March 2015, Sydney

To the members of Golden Cross Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Golden Cross Resources Limited, which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 controls as the directors determine are necessary to enable the preparation of the half-year financial report that 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 company'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 Golden Cross Resources Limited, 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 the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

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 Golden Cross Resources Limited is not in accordance with the *Corporations Act 2001*, including:

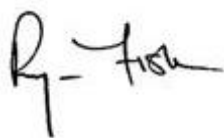
- i giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which describes the principal conditions that raise doubt about the entity's ability to continue as a going concern. As a result of these matters, there is significant uncertainty whether the consolidated entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.



Ernst & Young



Ryan Fisk
Partner
Sydney
12 March 2015