

**Golden Cross Resources Ltd**  
ABN 65 063 075 178

**Half-Year Financial Report**

**31 December 2015**

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## Company Particulars

### Directors:

Mark Sykes, BEng (Mining), MMEE  
Elected 22 October 2015  
Appointed Chairman 18<sup>th</sup> December 2015  
*Chairman and Non-executive Director*

Jingmin Qian, CFA, MBA, BEc, FAICD  
Resigned 18 December 2015  
*Interim Chairman*

Ian Buchhorn, BSc (Hons), Dip Geosci (Min Econ), MAusIMM  
Appointed 3 March 2014  
*Non-executive Director*

Xiaoming Li, MBA, BA (Comm)  
Appointed 13 January 2009  
*Non-executive Director*

Yuanheng Wang, LLB  
Appointed 28 November 2014  
*Non-executive Director*

Yan Li, MBA  
Appointed 5 July 2010  
*Alternate Director for Xiaoming Li*

Rob Thomson, BEng (Mining), MBA, FAusIMM  
Appointed 22 October 2015  
*Non-executive Director*

Neil Fearis, LLB (Hons), FAICD, F Fin  
Appointed 22 October 2015  
*Non-executive Director*

### Company Secretary

Mark Langan, BBus CA, ceased 10<sup>th</sup> August 2015  
Carl Hoyer, appointed 10<sup>th</sup> August 2015

### Principal and Registered Office:

Suite 4, Level 3  
66 Berry Street  
North Sydney NSW 2060  
Telephone: +61 2 9922 1266  
Facsimile: +61 2 9922 1288

### Share Registry:

Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000

### Auditors:

Ernst & Young  
680 George Street  
Sydney NSW 2000

### Stock Exchange Listing:

Securities in Golden Cross Resources Limited are quoted on the Australian Securities Exchange (Ticker 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 2015.

### 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:

Mark Sykes	(Chairman) Appointed 22 October 2015
Jingmin Qian	(Interim Chairman) Resigned 18 December 2015
Ian Buchhorn	(Non-Executive Director) Appointed 3 March 2014
Xiaoming Li	(Non-Executive Director) Appointed 13 January 2009
Yuanheng Wang	(Non-Executive Director) Appointed 28 November 2014
Yan Li	(Alternate Director for Xiaoming Li) 5 July 2010
Rob Thomson	(Non-Executive Director) Appointed 22 October 2015
Neil Fearis	(Non-Executive Director) Appointed 22 October 2015

### Review and Results of Operations

The consolidated net loss after income tax for the six months to 31 December 2015 was \$1.149 million, (2014: loss of \$4.745 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.

### 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.

Signed in accordance with a resolution of the Board of Directors.



Mark Sykes

Chairman

Sydney

9th March 2016

## Auditor's Independence Declaration



Ernst & Young  
680 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

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

As lead auditor for the review of Golden Cross Resources Limited for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Golden Cross Resources Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'R. Fisk'.

Ryan Fisk  
Partner  
9 March 2016

## Statement of Comprehensive Income For the half-year ended 31 December 2015

	Notes	Consolidated	
		6 months to 31 Dec 2015 \$'000	6 months to 31 Dec 2014 \$'000
Interest Income	3	7	29
Deferred exploration expenditure written off		(69)	(4,165)
Loss on Sale of AFS investments			(3)
Other expenses from ordinary activities	4	(1,087)	(606)
Loss before tax and finance costs		(1,149)	(4,745)
<b>Loss before income tax</b>		(1,149)	(4,745)
Income tax benefit		-	-
<b>Loss after income tax</b>		(1,149)	(4,745)
<b>Other comprehensive income</b>		-	-
<i>Items that may be reclassified subsequently through profit and loss</i>			
Net (loss)/gain on available for sale investments net of tax		-	(2)
<b>Total comprehensive loss for the period</b>		(1,149)	(4,747)
Basic loss per share (cents)	2	(1.14)	(5.02)
Diluted loss per share (cents)	2	(1.14)	(5.02)

## Statement of Financial Position As at 31 December 2015

	Notes	Consolidated 31 December 2015 \$'000	Consolidated 30 June 2015 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash assets		160	438
Trade and other receivables		274	244
Prepayments		36	33
<b>Total Current Assets</b>		<b>470</b>	<b>715</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		414	423
Other receivable		-	198
Exploration and evaluation expenditure	7	11,727	11,970
<b>Total Non-Current Assets</b>		<b>12,141</b>	<b>12,591</b>
<b>Total Assets</b>		<b>12,611</b>	<b>13,306</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Loans from Directors and other related parties	9	300	-
Payables		261	113
Provisions		73	72
<b>Total Current Liabilities</b>		<b>634</b>	<b>185</b>
<b>Non-Current Liabilities</b>			
Provisions		-	2
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>2</b>
<b>Total Liabilities</b>		<b>634</b>	<b>187</b>
<b>NET ASSETS</b>		<b>11,977</b>	<b>13,119</b>
<b>EQUITY</b>			
Issued capital	5	58,214	58,214
Reserves		928	921
Accumulated losses		(47,165)	(46,016)
<b>TOTAL EQUITY</b>		<b>11,977</b>	<b>13,119</b>

## Statement of Changes in Equity For the half-year ended 31 December 2015

	Issued Capital	Share-based Compensation Reserve	Net Unrealised Gain Reserve	Accumulated Losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Consolidated</b>					
<b>As at 1 July 2015</b>	58,214	921	-	(46,016)	13,119
Total comprehensive income and expenses for the period	-	-	-	(1,149)	(1,149)
Employee options	-	7	-	-	7
<b>As at 31 December 2015</b>	58,214	928	-	(47,165)	11,977
<b>Consolidated</b>					
<b>As at 1 July 2014</b>	57,812	909	2	(40,673)	18,050
Loss for the period	-	-	-	(4,745)	(4,745)
Net loss on AFS (Available For Sale) 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	-	-	-	-	-
<b>As at 31 December 2014</b>	57,844	914	-	(45,418)	13,340

## Statement of Cash Flows For the half-year ended 31 December 2015

	<b>6 months to 31 Dec 2015 \$'000</b>	<b>6 months to 31 Dec 2014 \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(713)	(765)
Interest received	7	29
<b>Net cash outflow from operating activities</b>	<b>(706)</b>	<b>(736)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
R & D Refund	470	-
Payments for plant and equipment	(4)	(1)
Payments for exploration and evaluation	(325)	(1,189)
Proceeds from sale of Investments	-	22
Brokerage fees	-	-
Loan repayment	2	2
Security deposits	(15)	2
<b>Net cash outflow from investing activities</b>	<b>128</b>	<b>(1,164)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans from Directors and other related parties	300	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b>300</b>	<b>-</b>
<b>NET DECREASE IN CASH HELD</b>	<b>(278)</b>	<b>(1,900)</b>
Cash at beginning of reporting period	438	2,442
<b>CASH AT THE END OF THE REPORTING PERIOD</b>	<b>160</b>	<b>542</b>

## Notes to the Financial Statements For the half-year ended 31 December 2015

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

Golden Cross Resources Limited ("Golden Cross", the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the half year ended 31 December 2015 comprises the Company and its controlled entities (together referred to as the "Consolidated Entity").

#### 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 as at 30 June 2015.

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 2015 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.

This consolidated interim financial report was approved by the Board of Directors on 9 March 2016

#### Going Concern

The Consolidated Entity 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 2015, the Consolidated Entity reported a net loss of \$1,149,000 (31 Dec 2014: \$4,745,000) and net operating cash outflows of \$706,000 (31 Dec 2014: \$736,000.) The operating cash outflows and investment activities have been funded by cash reserves. As at 31 December 2015, the Consolidated Entity had net current liability of \$164,000 (30 June 2015 net current asset: \$530,000) including cash reserves of \$160,000 (30 June 2015: \$438,000).

The balance of these cash reserves may not be sufficient to meet the Consolidated Entity's expenditure, including exploration activities, and operating and administrative expenditure, for the next 12 months. The Consolidated Entity has exploration commitments over the next 12 months from 1 January 2016 totalling \$586,000 per Note 8 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 Consolidated Entity requires additional funding to be secured from sources including but not limited to:

- a further equity capital raising,
- the continued support of current shareholders,
- the ability to successfully develop and extract value from its projects, and
- the sale of its interest in exploration projects.

Having carefully assessed the uncertainties relating to the likelihood of securing additional funding, the Consolidated Entity'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' 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 Consolidated Entity will continue to operate as a going concern. If the Consolidated Entity 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 Consolidated Entity not continue as a going concern.

### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of Golden Cross and its controlled entities.

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-Consolidated Entity transactions have been eliminated in full.

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

### **Significant accounting policies**

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Consolidated Entity's annual financial statements for the year ended 30 June 2015, except for the mandatory adoption of the new and revised Standards and Interpretations issued by the AASB that are applicable to the Consolidated Entity, being AASB 2013-9 (*Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*). The adoption of this Standard had no material impact on these financial statements or on the financial position and performance of the Consolidated Entity.

## 2. LOSS PER SHARE

	HALF YEAR	
	31 Dec 2015 Cents	31 Dec 2014 Cents
Basic loss per share	(1.14)	(5.02)
Diluted loss per share	(1.14)	(5.02)
	No of Shares	No of Shares
Weighted average number of ordinary shares used as the denominator in calculating basic and dilutive loss per share	101,078,493	94,515,389
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.	101,078,493	94,515,389

As at 31 December 2015, the weighted average number of options that were not included in the calculation of loss per share as they are antidilutive: 478,261 (2014: 90,164)

	\$'000	\$'000
Loss used in calculating basic loss per share:	1,149	4,745
Loss used in calculating diluted loss per share:	1,149	4,745

## 3. INTEREST INCOME

	HALF YEAR	
	31 Dec 2015 \$'000	31 Dec 2014 \$'000
Interest Received	7	29

## 4. OTHER EXPENSES

	HALF YEAR	
	31 Dec 2015 \$'000	31 Dec 2014 \$'000
Employee costs	224	315
Directors Fees	111	79
Office rent	40	42
Share registry and Stock exchange fees	28	42
Insurance and Communications	19	35
Independent Expert	36	-
Audit fees and Legal fees	301	15
Writedown of Argent Non-Current Receivable	197	-
Other	131	78
<b>Total Other expenses</b>	<b>1,087</b>	<b>606</b>

## 5. ISSUED CAPITAL

	31 Dec 15 Shares	30 June 15 Shares	31 Dec 15 \$'000	30 June 15 \$'000
Opening Balance	101,078,493	101,078,493	58,214	58,214
Share issues	-	-	-	-
Share Issue Costs	-	-	-	-
Closing Balance	101,078,493	101,078,493	58,214	58,214

### Recognised share-based payment expenses

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

	31 Dec 15 \$'000	30 June 15 \$'000
Payments by way of options to directors and employees under Employee Option Plan (value of options vested during the period)		
Total	7	13

#### *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 28<sup>th</sup> November 2014. All employees (including directors and consultants) of Golden Cross 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 2015 the Company had on issue 250,000 employee options exercisable at 14 cents

	Number	Exercise Price	Expiry Date
Golden Cross Resources Employee Option Plan Options	250,000	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

## 6. SEGMENT REPORTING

The operating segments are reviewed and managed by the executive team 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 the executive team are based on areas of interest. Expenditure incurred and capitalised for the tenement areas are 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
<b>31 December 2015 – (\$'000)</b>				
Capitalised expenditure	11,229	498	-	11,727
PPE	414	-	-	414
Other non-current assets	-	-	-	-
<b>Total non-current assets</b>	<b>11,643</b>	<b>498</b>	<b>-</b>	<b>12,141</b>
<b>30 June 2015 – (\$'000)</b>				
Capitalised expenditure	11,523	447	-	11,970
PPE	423	-	-	423
Other non-current assets	-	198	-	198
<b>Total non-current assets</b>	<b>11,946</b>	<b>645</b>	<b>-</b>	<b>12,591</b>

	31 Dec 15 \$'000	30 Jun 15 \$'000
<b>Reconciliation to total assets:</b>		
Total assets by reportable assets	12,141	12,591
Cash and cash equivalents	160	438
Trade and other receivables	274	244
Prepayments	36	33
<b>Total assets per Statement of financial position</b>	<b>12,611</b>	<b>13,306</b>

## 7. EXPLORATION AND EVALUATION EXPENDITURE

	HALF YEAR	
	31 Dec 2015 \$'000	31 Dec 2014 \$'000
<i>Exploration Assets</i>		
Costs brought forward	11,970	14,801
Expenditure incurred during the period	296	1,201
Transferred to Asset held for Sale	-	(275)
Copper Hill R & D Refund (Net)	(470)	-
Impairment*	(69)	(4,165)
Costs carried forward	<u>11,727</u>	<u>11,562</u>
<i>Costs incurred on current areas of interest</i>		
- Burra	16	17
- Cargo	51	7
- Codna Hill	2	11
- Copper Hill	175	1,066
- Delaney's Tank	1	1
- Guapa Tank	-	2
- Oolgelima Hill	10	3
- Quidong	6	47
- Rast	4	3
- Other Properties	31	44
	<u>296</u>	<u>1,201</u>

\*During the period a collection of other tenements (69k) were written off in full as the licenses have been or are planned to be relinquished.

## 8. COMMITMENTS

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

	31 Dec 15 \$'000	30 Jun 15 \$'000
<b>Operating Leases</b>		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than 1 year	40	45
Later than 1 year but not later than 2 years	60	-
Later than 2 years	51	-
Commitments not recognised in the financial statements	<u>151</u>	<u>45</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	586	579
Later than 1 year but not later than 2 years	380	226
Later than 2 years	-	-
	<u>966</u>	<u>805</u>

## 9. LOANS FROM DIRECTORS AND OTHER RELATED PARTIES.

The company has commitments for 2 loan agreements with a director and another related party.

- (1) Mr Ian James Buchhorn, a non-executive director and the company entered into a loan agreement on 22 September 2015 for amount of \$150,000. The loan period is for 12 months at 0% interest. The loan is repayable after the earlier of, the company raising \$500,000 through the issue of shares or at the first anniversary date.
- (2) HQ Mining Resources Holding Pty Ltd and the company entered into a loan agreement on 22 September 2015 for amount of \$150,000. The loan period is for 12 months at 0% interest. The loan is repayable after the earlier of the company raising \$500,000 through the issue of shares or at the first anniversary date.

## 10. SUBSEQUENT EVENTS

The Company is aware of the following significant events that have occurred after the reporting date which require disclosure.

- On 20 January 2016 and 21 January 2016, the Company issued a total of 543,734 fully paid ordinary shares to Mr Ken Hellsten that formed part of Mr Hellsten's employment contract during the period Mr Hellsten was acting as Interim CEO of the Company.
- On 29 January 2016, Impact Minerals Limited (ASX:IPT) announced that it has acquired EL7390 (Broken Hill) from Golden Cross. Golden Cross retains a 1% gross production royalty with attaching terms over the area. Golden Cross has not received funds from the proceeds of the sale, being \$60,000.
- On 1 Feb 2016, HQ Mining Resources Holding Pty Ltd ("HQ Mining") announced that its off-market takeover bid for all the ordinary shares in Golden Cross (Offer) had closed at 7:00pm, 29 January 2016. HQ Mining had a relevant interest in Golden Cross of 76.46%. On 3 Feb 2016, HQ Mining announced the Offer was unconditional and that shareholders that had accepted the Offer should expect to be paid on Fri, 19 February 2016.
- On 4 February 2016, the Company entered into a loan agreement with HQ Mining to provide a debt funding facility for a total consideration of \$320k. The loan is to be provided in 3 tranches to be paid on the date of signing (\$110k), on the 4th March 2016 (\$110k) and on the 4th April 2016 (\$100k). The loan has a interest rate of 9.75% and is to be repaid on the earlier of the 1 year anniversary or the raising of an aggregated amount of \$1.5M.
- On 22 February 2016, the Company announced its wholly owned subsidiary, Golden Cross Operations Pty Ltd ("GCO"), has sold its interest in the Mt Boppy Royalty and the Wagga Tank Joint Venture. GCO divested the Mt Boppy Royalty for \$200,000 and its interest in the the Wagga Tank Joint Venture for \$40,000. All proceeds from the sale of the two non-core assets were received at the date of the announcement.

## Directors' Declaration

For the half year ended 31 December 2015

In the Directors opinion:

- (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 2015 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.

Signed in accordance with a resolution of Directors made pursuant to Section 303(5) of the *Corporations Act 2001*.



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Mark Sykes

Chairman

Sydney

9th March 2016

## Independent Review Report to the Members



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### Independent auditor's report 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 2015, 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 2015 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 2015 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 and events surrounding the entity's ability to continue as a going concern. These matters indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to 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.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Ry-Fisk'.

Ryan Fisk  
Partner  
Sydney  
9 March 2016