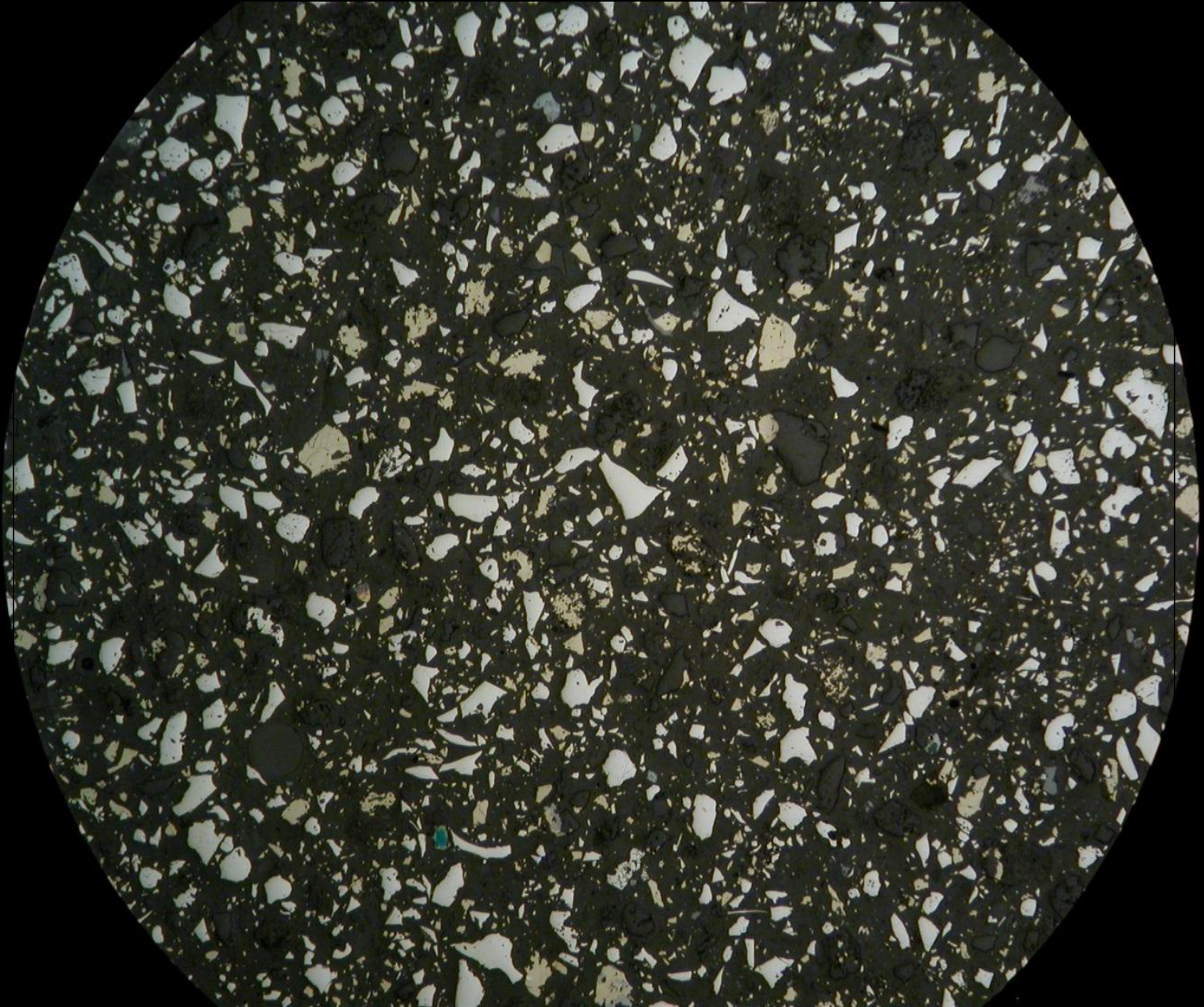


Golden Cross Resources Ltd



Annual Report 2015

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COMPANY PARTICULARS

DIRECTORS

Jingmin Qian, BEc, MBA, CFA, FAICD
Interim Chairman

Ian Buchhorn, BSc (Hons), Dip Geosci (Min Econ),
MAusIMM
Non-Executive Director

Xiaoming Li, BA(Comm), MBA
Non-Executive Director

Yuanheng Wang
Non-Executive Director

Yan Li, MBA
Alternate Director for Xiaoming Li

Neil Fearis (appointed on 22 October 2015)
Non-Executive Director

Rob Thompson (appointed on 22 October 2015)
Non-Executive Director

Mark Sykes (appointed on 22 October 2015)
Non-Executive Director

INTERIM CEO

Ken Hellsten, BSc (Hons), MAICD, FAusIMM

COMPANY SECRETARY

Mark Langan (until 10 August 2015)

Carl Hoyer (appointed on 10 August 2015)

EXPLORATION MANAGER

Bret Ferris BAppSc, GradDipCompSt, MAIG

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STOCK EXCHANGE LISTING

Golden Cross Resources Ltd securities are listed for quotation on the Australian Securities Exchange (Listing Code GCR)

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Dear Shareholders,

The past year has been one of transition for the Company. Golden Cross has moved from an exploration company to one with a strong project development focus.

In late 2014 management changes were instigated to bring on board the technical skills to move our key project Copper Hill forward. The new team has delivered a positive Scoping Study which provides the foundation for further project development activities during the current year. The Scoping Study explored a 2 – 3 million tonnes per annum (mtpa) mining and processing operation treating the higher grade resources through open pit mining, crushing, grinding and floatation to produce a copper-gold concentrate for sale.

Building on the excellent drilling results from the 2014 drilling program at central Copper Hill and increased emphasis on detailed structural and geochemical analysis, the team has developed an updated geological model with a focus on the central higher grade mineralisation. This revised model demonstrates improved continuity of the higher grade, near surface material which also exhibits superior metallurgical performance to the remaining resources.

In addition, a revision of the planned process plant equipment using a “fit for purpose” approach, selected off-shore procurement and site costs which reflect the cooling of the resources market since the previous studies (2006 – 2011) has provided capital and operating cost savings for the project.

The study results were sufficiently encouraging for the Board to approve the commencement of a Pre-feasibility Study (PFS) subject to securing adequate funding.

The Board and management actively pursued funding resolutions for the PFS and our priority exploration projects with a combination of Rights Issue and placements to sophisticated investors. A fully funded proposal was put on hold due to the calling of an Extraordinary General Meeting (EGM), and independent director appointments were given a higher priority. Three new directors Neil Fearis, Robert Thomson, and Mark Sykes have been elected at the EGM. I welcome them to the Board. Post the EGM, the Company received an indicative takeover offer by HQ Mining. The Company will work with appropriate advisors to guide shareholders in this process.

The Board wishes to thank you for your understanding and on-going support during the year. In 2016 the Company aims to accelerate the pace of development at Copper Hill as well as undertake targeted programs on priority projects within our high quality exploration portfolio.

I welcome the opportunity to meet with you at the Annual General Meeting and share with you our 2015 results.

Yours sincerely,

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

Jingmin Qian

Interim Chairman

Review of Operations

Golden Cross projects are diversified across a range of commodities and regions (Figure 1). The core project at Copper Hill is located near Molong, 35 kilometres north of Orange in central western New South Wales.

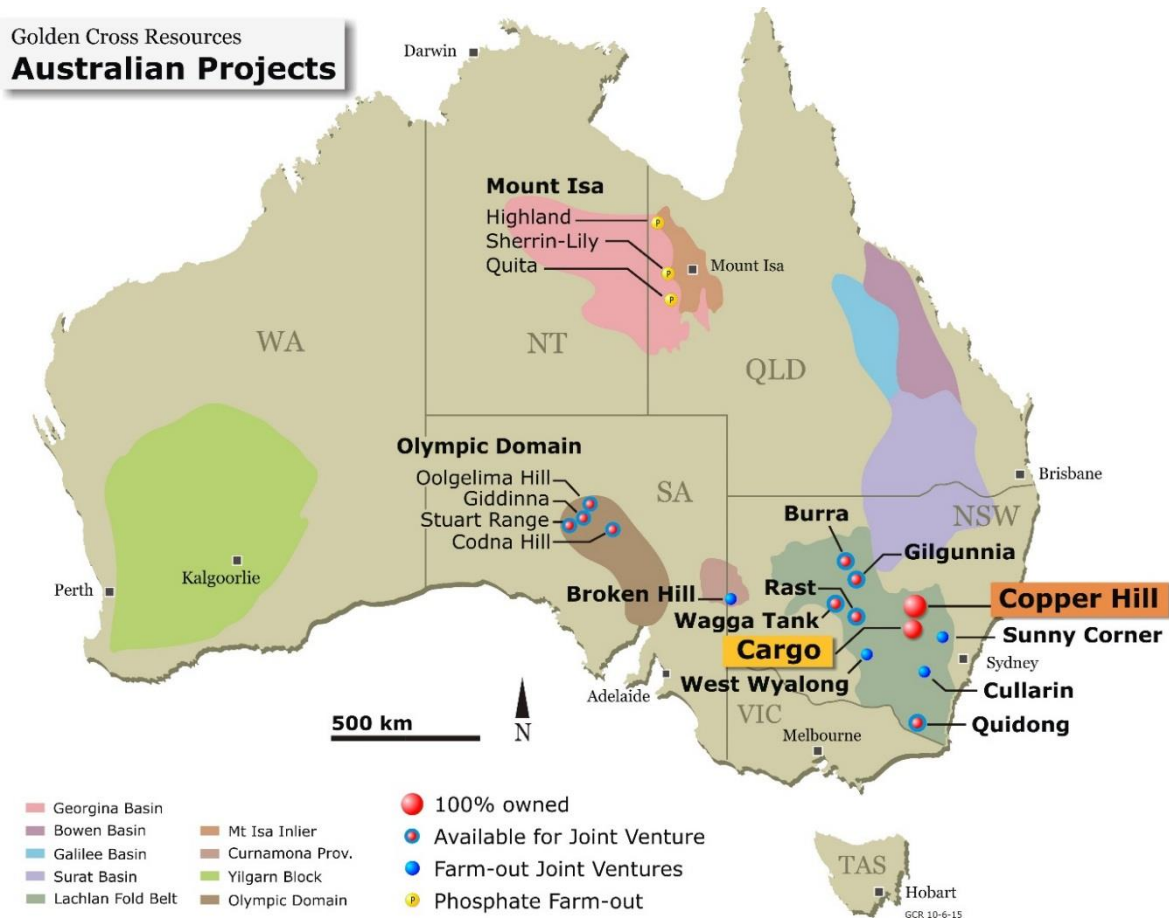


Figure 1: Golden Cross Project Locations & Status

Molong Project - Copper Hill (Copper-Gold 100% GCR)

Substantial progress has been made during the year towards confirming the Copper Hill porphyry copper-gold project has the potential to become a profitable mine. While further drilling and studies are required, the drilling program completed during the second half of 2014 and the subsequent Scoping Study have demonstrated the presence of a cohesive higher grade mineralised system which could support a 2 – 3 million tonnes per annum (mtpa) mining and processing operation.

The next step will be to undertake a Pre-feasibility Study to further define and extend the higher grade resources and complete focussed technical programs, principally in the metallurgical area, to confirm identified opportunities to improve the financial returns. This program is expected take some 9 months to complete and cost up to \$2.9 million, including all corporate overhead and support costs.

Geology and Mineralisation

Porphyry copper-gold mineralisation at Copper Hill is hosted by Ordovician aged rocks formed in an ancient island arc setting similar to porphyry copper-gold deposits of the western Pacific. The Copper Hill Intrusion Complex consists of diorite porphyry and multiphase tonalite porphyry intrusions within the associated Fairbridge Volcanics (Figure 2). Younger Silurian to Early Devonian sedimentary rocks (sandstone and limestone) occur west of Copper Hill, and to the east the prospective intrusives and volcanics are overlain by flat lying Tertiary Basalt.

The drilling program completed in late 2014 consisted of 6 drillholes (GCHD469 – 474). GCHD469 targeted a possible hidden mineralising porphyry under Buckleys Hill, and the remaining five tested the central portion of the mineralised system at Copper Hill on 100 metre spaced sections.

While GCHD469 did not encounter the interpreted mineralising porphyry it provided vectors for future drilling with a broad moderate grade zone of mineralisation intersected in altered wall rock host andesites below previous drilling.

The drilling at Copper Hill provided excellent headline results (refer Table 1) and a significant amount of detailed geological, geochemical and structural data. Detailed analysis of this information by 360 Geoscience and Golden Cross staff and consultants combined with historic data has enabled the development of a cohesive geological model for the mineralised system, including the high grade zones and assisted both the resource modelling and future exploration.

Table 1: Significant grade intersections from 2014 drilling program

Hole ID	From	To	Interval	%Cu	gpt Au
GCHD469	713	743	30	0.26	0.70
GCHD470	11	71	60	1.83	5.41
	76	100	24	0.64	0.74
	171	210	39	0.61	0.09
GCHD471	126	138	13	0.74	0.43
	144	209	65	0.58	0.44
	288	304	16	0.41	0.27
GCHD472	32	54	22	0.73	0.83
	60	88	28	0.57	0.39
	122	172	50	0.56	0.83
	178	190	12	0.78	0.60
	210	230	20	0.43	0.33
	250	280	30	0.44	0.29
	326	340	14	0.57	0.52
	426	436	12	0.48	0.36
GCHD473	60	68	8	0.71	0.95
	386	444	58	0.64	0.68
GCHD474	114	136	22	0.49	0.50
	142	182	40	0.81	2.04
	198	208	10	0.47	1.40
	218	246	28	0.77	1.45
	334	351.6	17.6	0.45	0.27

Intercepts calculated above a 0.4% copper cutoff, with a minimum 4m internal consecutive waste, and a 6m minimum length

The mineralisation at Copper Hill is typical of many porphyry systems throughout the world being associated with multiple mineralising events which overlap both spatially and temporally. The key features of the mineralised systems can be summarised as;

- At least six separate events have been recognised, five primary and one later weathering event;
- The main mineralising events are Stages 1 – 3;
- Higher copper and gold grades are generally associated with areas of greater intensity of veining;
- Within the overall grid** north-south trending mineralised envelope there is a strong grid northwest structural orientation with a more subtle, but still material, northeast fracture set (Figure 2) (** Note: all directions reference Copper Hill Grid which is rotated 50 degrees west of Magnetic North ie. 310 degrees Magnetic);
- Structures are generally defined by quartz-pyrite dominated veins and fractures. Copper and gold mineralisation generally occurs as later stage chalcopyrite-pyrite veins within these earlier quartz veins and fractures, with significant disseminated style mineralisation also present in Tonalite Porphyry wall-rock;
- A higher grade core to the mineralisation is present focused in the areas of greatest fracture intensity and veining, especially at the intersection of north-south and north-west trending structures. Lower grade ore is generally typified by weaker veined and/or disseminated style mineralisation;
- Higher gold to copper ratios within the core of the high grade zone with Au:Cu generally around 3:1 (ie 3g/t Au : 1% Cu) compared with a ratio of 1:1 (eg. 0.3 g/t Au : 0.3% Cu) for the deposit overall;
- A close association between a strongly quartz veined microtonalite porphyry intrusive phase intruding the wall-rock crowded tonalite porphyry is evident in several of the holes; and
- A sub-horizontal 10 – 20 metres thick zone of higher grades centred in the (supergene) zone transitional to fresh rock 25 - 70 metres below surface.

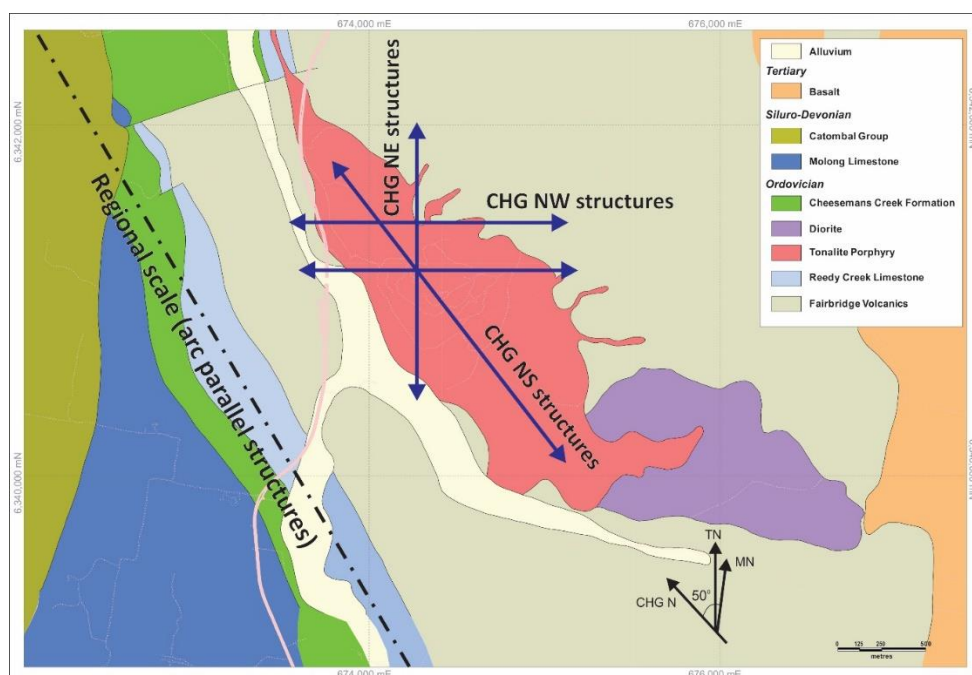


Figure 2: Copper Hill: Local Geology Map showing identified key structural orientations

The combination of these factors led to an enhanced geological model for the deposit and greater mineralised continuity than previously interpreted for the higher grade zones.

Understanding of the internal architecture of the mineralised zones has been substantially improved by high quality structural data from oriented 2014 core. The structural data support a strong grid northwest internal orientation of the mineralised zones within their overall grid north south trend. The interaction of these structures is reflected in the updated resource geometry (refer Figure 2 & Figure 3).

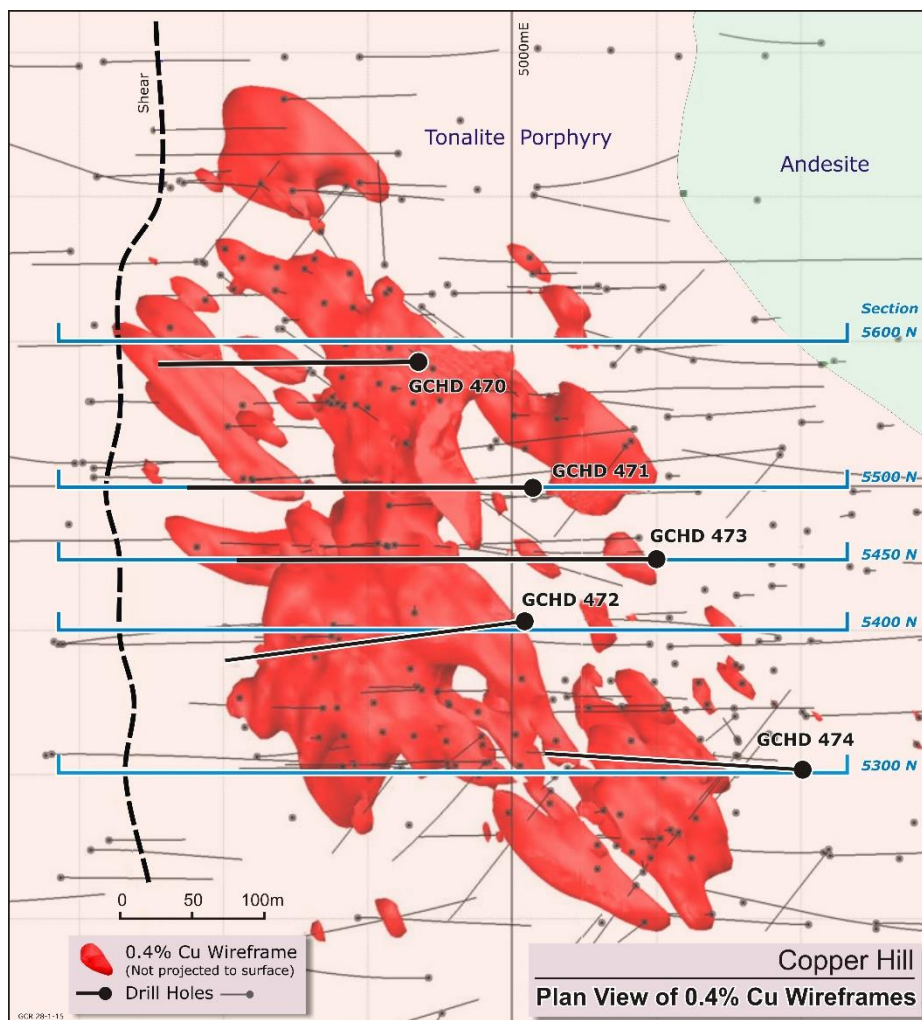


Figure 3: Copper Hill Central: Plan View of 0.4% Copper Wireframes, modelled using Leapfrog©, showing 2014 drillholes, and strong NS and NW* structural fabrics

Resource Upgrade

The improved geological understanding of the mineralisation was used to derive better defined geological domains for an updated resource estimate which is JORC 2012-compliant (JORC 2012 Table 1).

As previously announced to ASX on 24 March 2015, an updated resource estimate at a range of copper cut-off grades was undertaken by independent resource consultant James Ridley. The JORC 2012 Table 1 (Sections 1 – 3) along with the Executive Summary of the “Report on Resources Estimation for Copper Hill Project” by Ridley Mineral Resource Consulting Pty Ltd, which provides the summary of JORC 2012 Table 1, were included as Annexures 1 and 2 respectively in the 24

March 2015 announcement. There is no new data or changes to assumptions from 24 March 2015.

Table 2: Mineral Resources at Copper Hill

Extracted from 2015 updated resource estimate reported to ASX on 24 March 2015

Resource Category	Cutoff (Cu%)	Volume (Mm3)	Tonnes (Mt)	Density (t/m3)	Grades		Metal	
					Cu %	Au (g/t)	Cu (t)	Au (oz)
Indicated	0.20	18	47	2.6	0.40	0.39	190,000	590,000
	0.30	10	27	2.6	0.52	0.52	140,000	460,000
	0.40	7.2	19	2.6	0.59	0.62	110,000	380,000
	0.50	4.4	11	2.6	0.68	0.74	78,000	270,000
Inferred	0.20	15	39	2.6	0.32	0.24	130,000	300,000
	0.30	6.1	16	2.6	0.44	0.30	71,000	150,000
	0.40	3.5	9.2	2.6	0.51	0.35	47,000	100,000
	0.50	1.5	4.0	2.6	0.59	0.37	24,000	48,000
Indicated + Inferred	0.20	33	87	2.6	0.36	0.32	310,000	890,000
	0.30	17	44	2.6	0.49	0.44	210,000	610,000
	0.40	11	28	2.6	0.56	0.53	160,000	480,000
	0.50	5.9	15	2.6	0.66	0.64	100,000	320,000

Note: All volume, tonnage, density, grade and metal figures are rounded to 2 significant figures

The material targeted for production at Copper Hill is 28Mt at 0.56% copper and 0.53g/t gold, occurring as Indicated and Inferred Mineral Resources and calculated using a 0.4% copper cut-off grade.

A systematic in-fill drilling program has been planned for 2015/16, aiming to convert the current higher grade resources to Indicated Mineral Resource category, as required for the planned Pre-Feasibility Study (PFS).

Scoping Study

Having quantified the improved higher grade resource, an updated Copper Hill Scoping Study was completed. The study assessed the viability of a 2-3Mtpa mining and processing operation at Copper Hill treating the higher grade, metallurgically better performing mineralisation.

It should be noted that the production target of 2-3Mtpa is based on Indicated Mineral Resources (67%) and Inferred Mineral Resources (33%), and there is a low level of geological confidence associated with Inferred Mineral Resources. The assumptions underlying the production target are detailed in the previous announcement to ASX dated 15 April 2015.

Auralia Mining Consulting Pty Ltd (Auralia) completed scoping level Mining Studies based on the 24 March 2015 updated resource model and revised mining inputs reflecting current market conditions. Yearly strategic schedules were generated for both 2Mtpa and 3Mtpa throughput options using updated pit optimisations and provided mine lives of 13 years for the 2Mtpa option and 9 years for the 3Mtpa option. Yearly grade profiles for copper and gold are shown in Figure 4.

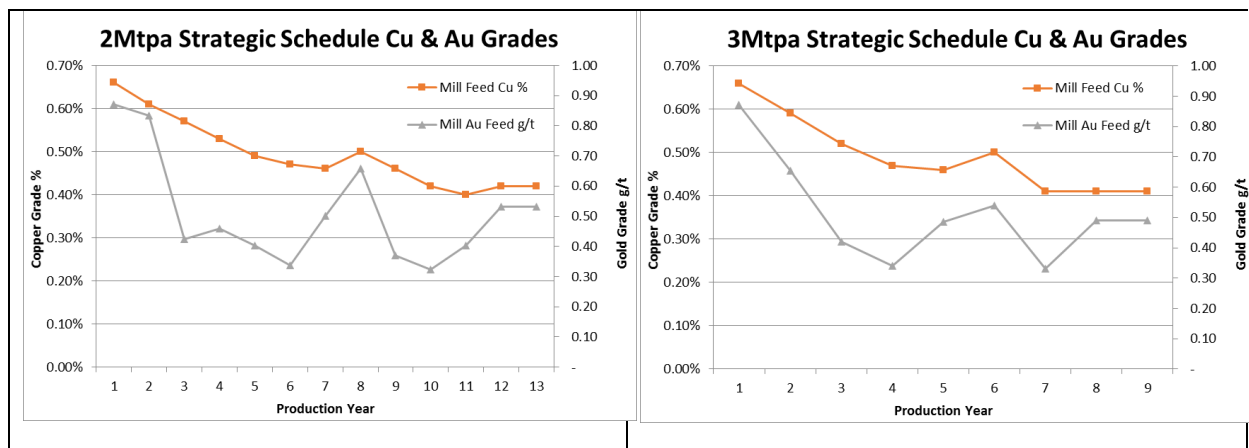


Figure 4: Copper and Gold Mill Feed Grade Profiles 2 and 3Mtpa Strategic Schedules

Estimated metal-in-concentrate for the two production scenarios are as follows:

- 2Mtpa, average 7.7Ktpa copper and 20.7Kozpa gold, peak year 10.8Kt copper and 41.8Koz gold.
- 3Mtpa, average 11.0Ktpa copper and 29.9Kozpa gold, peak year 14.7Kt copper and 54.4Koz gold.

Extended higher grade profiles for both copper and gold in the early years of operation show the benefit of the updated resource model and geological interpretations.

Significant mineralisation remains outside the Revenue 1 Factor pit shell defined for the Scoping Study as shown in Figure 5. This highlights the potential to increase the material within the pit shell as well as at depth. These areas will be targeted as a part of the PFS drilling.

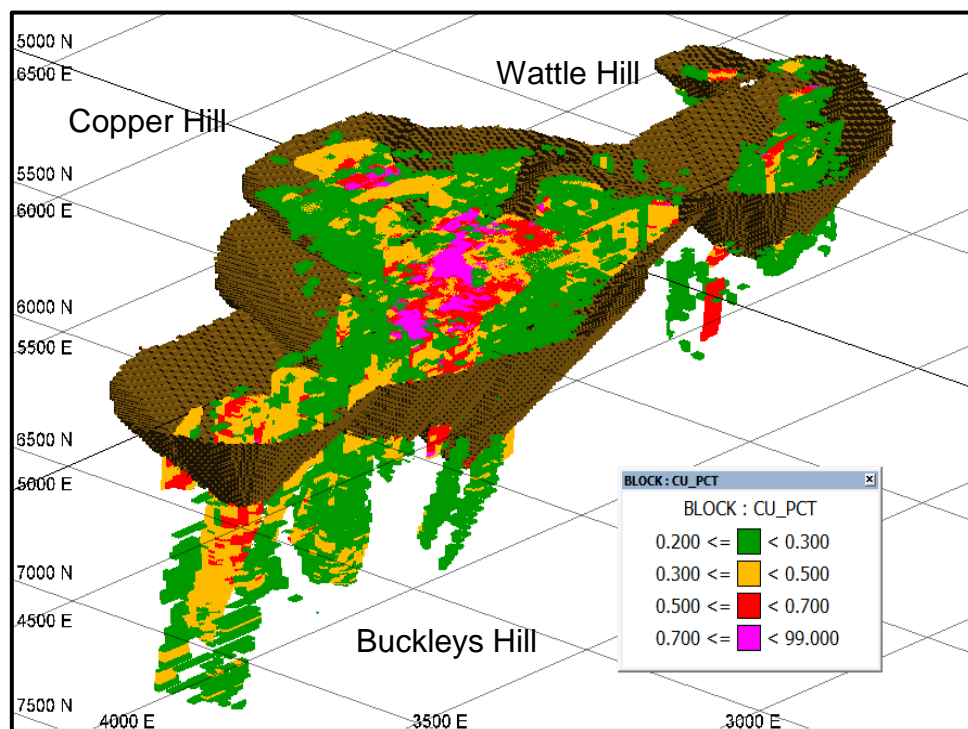


Figure 5: Oblique view towards the southeast showing 2015 resource model blocks and Revenue 1 Factor Pit Shell used for the Scoping Study Strategic Schedules

The objective of planned metallurgical test work and drilling is to quantify a resource capable of supporting the 3Mtpa production option, which has the more favourable investment return.

Metallurgy

A review of historic metallurgical testwork results concluded that recoveries from higher grade mineralisation (>0.4% Cu) are materially higher and more consistent than for the lower grade material (<0.3% Cu). This work also established an updated grade/recovery relationship which honours the metallurgical performance from higher grade Copper Hill samples tested in 2006 and references relevant results from other historic metallurgical testwork programs.

Figure 6 shows the yearly average copper and gold recoveries from the strategic schedules and based on applying the scoping level grade/recovery relationship on a block basis as a part of the pit optimisation.

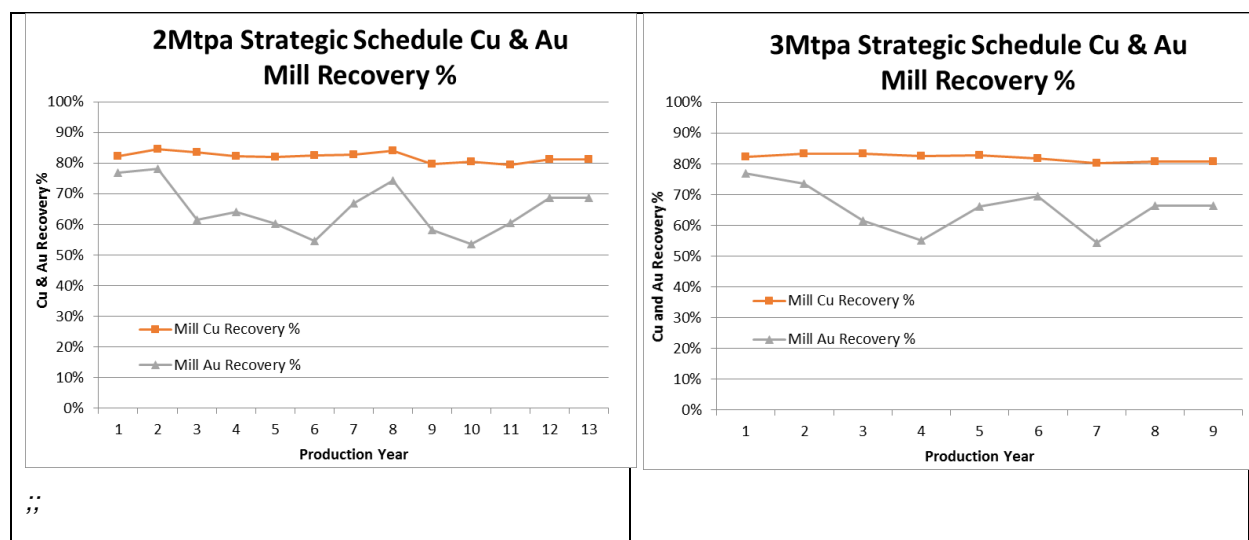


Figure 6: Copper and Gold Mill Recovery Profiles: 2 and 3Mtpa Strategic Schedules

The focus on higher grade material significantly improves expected recoveries for both copper and gold, compared with the flat recoveries of 75% for copper and 45% for gold used in previous optimisations. Continued improvement in metallurgical performance is expected in the Pre-Feasibility Study as testwork programs focus on higher grade material scheduled to be mined and processed in Years 1-5.

Additionally the metallurgical review identified opportunities to explore pre-concentration options utilising recognised associations of the mineralisation with magnetite quartz veining and sulphides which have materially greater densities than the gangue minerals (mainly quartz). Sighter testwork is planned in the early stages of the PFS to determine if lower grade mineralisation can be upgraded through density and/or magnetic separation methods to increase the higher grade feed to the process plant.

Capital Cost Estimate

Consultancy CPC Engineering produced an updated Capital Cost Estimate for a 2Mtpa Concentrator Process Plant at Copper Hill. This updated Process Plant estimate was combined with Non-Process Plant or “Other” Costs from a historic project estimate (2012), to produce the overall Capital Cost Estimate Shown in Table 2. The 3Mtpa capital cost estimate was directly factored from the 2Mtpa by Golden Cross using standard industry-accepted estimating methodologies.

Table 3: Capital Cost Estimate Summary: 2Mtpa and 3Mtpa Development Options

	2Mtpa Development	3Mtpa Development
	A\$M	A\$M
Process Plant	73.9	94.2
Other & Owners Costs	44.7	54.4
Contingency	11.9	14.9
Project Grand Total	130.5	163.5

The updated Process Plant estimate from CPC Engineering provided an approximate 20% saving in mechanical equipment costs compared with the previous 2012 estimate for the 2Mtpa Concentrator Plant option and highlights the market shift that has occurred since the previous project estimate for similar fit-for-purpose equipment. Golden Cross believes there is further potential to reduce capital costs in the Non-Process Plant or “Other” project areas and these will be targeted during the PFS to further reduce the total capital requirements for the project.

Operating Cost Estimate

The average life of mine Operating Costs are shown in Table 4: Average Life of Mine Operating Cost Estimate. Mining Costs are on a contract basis and reflect current market conditions, based on recent cost estimates from Auralia. Process Plant Operating Costs were updated by Golden Cross based on historic manning level and operating cost estimates and updated power costs. Treatment and refining costs were benchmarked against current industry costs and include concentrate transport costs.

Table 4: Average Life of Mine Operating Cost Estimate

	2Mtpa Operating Costs	3Mtpa Operating Costs
	A\$/t of Mill Feed	A\$/t of Mill Feed
Mining (Contract Basis)	9.3	9.3
Process Plant	18.0	15.2
Concentrate Treatment & Refining	3.5	3.5
Total Operating Cost	30.8	28.0

Forward Plan and Budget

With the positive outcome of the Scoping Study, the Board resolved to move to a Pre-Feasibility Study, subject to funding. The Company has developed a forward

work plan for the completion of a PFS into a 2Mtpa to 3Mtpa development at Copper Hill.

The study is expected to take approximately 9 months to complete and cost up to \$2.9 million including all associated corporate and site support costs.

The key elements of the PFS will include infill drilling to upgrade resources and better define and extend the higher grade mineralisation, metallurgical testwork to determine optimum conditions for metal recoveries and assess pre-concentration opportunities, updated resource model and mining studies, optimised process plant and associated infrastructure, up-graded environmental and hydrological studies, revised capital and operating cost estimates, product marketing studies and updated financial modelling.

Programs will commence shortly after funding is secured with approval in place for the initial drilling along with the geological and support team.

Golden Cross will be investigating options for funding of the PFS in the coming months, with the aim of commencing this study, including resource drilling and deep exploration, as soon as possible.

Exploration Potential – Copper Hill

The 2014-15 geological review of Copper Hill added further to the potential of the Copper Hill mineralising system. Several areas were identified with potential for resource expansion and discovery:

- Copper-gold mineralisation at Copper Hill as drilled to date consists of 310,000t of contained copper and 890,000oz. of contained gold at a 0.2% copper cutoff (refer Table 2) hosted in a Crowded Tonalite Porphyry wall-rock. Two distinct styles of wall-rock mineralisation styles are recognised, associated with multiple porphyry intrusive phases at depth;
 - 1 The earliest mineralised phase is related to sericite-pyrite-quartz “phyllitic” alteration, and is a distinctive distal association (away from the source porphyry intrusive), hosting chalcopyrite mineralisation with a molybdenum-rhenium-zinc association.
 - 2 The later stage overprinting mineralisation has distinctive and intense quartz(-magnetite) “potassic” alteration and sheeted veins, being a proximal association (close to the source porphyry intrusive), hosting chalcopyrite-bornite mineralisation with associated high gold.

The porphyry intrusive responsible for the later stage high-grade “potassic” wall-rock gold-copper mineralisation is interpreted to be younger and deeper and yet to be intersected in drill holes and provides discovery potential at depth below Copper Hill and Wattle Hill (the target being high grade “pipes” of the style being mined at Ridgeway and Northparkes).

Drilling on section 6150N below Buckleys Hill confirms the presence of an early phase wall-rock porphyry style copper-gold mineralised system. A nearby drill hole (GCHR190) on section 5900N also intersected copper-gold mineralisation associated with porphyry style stockwork quartz-magnetite veins with chalcopyrite. Discovery potential for high-grade gold-copper porphyry mineralisation similar to that intersected in GCHD470, exists at depth between 5900-6150N and extending south to below Copper Hill.

While Golden Cross is currently focused on the Copper Hill Pre-Feasibility Study, it is intended to assess the best options to obtain vectors to future targets for exploration activities and drilling. Copper Hill is located in a 5 kilometre long strike trend extending from Little Copper Hill in the north to Vale Head in the south. Limited previous drilling at other prospects in the trend suggest potential for further discovery of economic mineralisation. It should be emphasised this remains a conceptual target, supported by mineralisation trends recognised in international studies of porphyry copper deposits.

Exploration Potential – Regional

The favourable geological setting of Copper Hill combined with the large size of the mineralised system has long been recognised by Golden Cross.

The Ordovician-aged Macquarie Arc consists of several volcanic belts which host the world-class porphyry copper-gold deposits currently being mined at Cadia (Newcrest), Northparkes (China Molybdenum) and Cowal (Evolution).

The Molong Volcanic Belt hosts significant porphyry gold-copper deposits at Cadia Quarry, Cadia East, Ridgeway (Newcrest), Cargo (GCR) and Copper Hill (GCR), and skarn gold ± copper deposits at Browns Creek and Junction Reefs, as shown in Figure 7.

Porphyry copper-gold deposits of the Copper Hill area occur within the corridor formed by the WNW trending Lachlan Transverse Zone (LTZ). Accordingly, Golden Cross tenements within this strongly mineralised area are regarded as highly prospective for copper-gold.

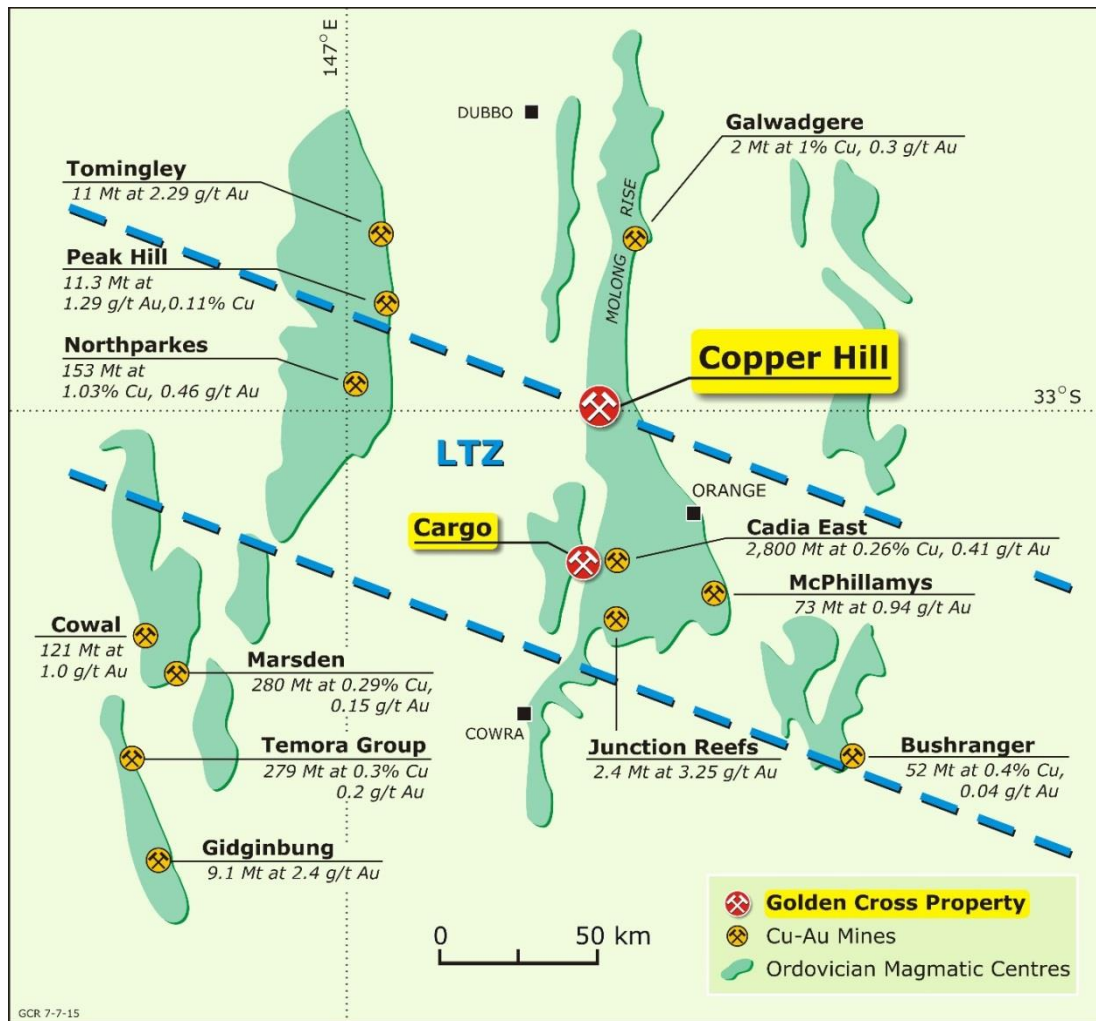


Figure 7: Regional setting of Copper Hill

Cargo (Gold-Copper 100% GCR)

Cargo is fifteen kilometres west of the Cadia Valley gold-copper deposits being mined by Newcrest. Exploration at Cargo in recent years evaluated three of approximately 19 lode systems that occur around a central porphyry that hosts low grade copper mineralisation.-

- Gum Flat
- Spur Dalcoath
- Essex

A potentially economic resource was estimated at Spur Dalcoath (Figure 8) in May 2012 by H& S Consultants (refer to ASX Announcement 21 May 2012) using a range of gold cut-offs and compliant with JORC 2004 guidelines. At a higher 0.8 g/t gold cut-off the Inferred Resource was 4.0Mt grading 1.19 g/t gold containing 154,000 ounces of gold. The estimation parameters excluded some intercepts of higher grade gold due to low quality historical drilling. These intercepts have potential to add significantly to contained ounces once they are confirmed by further drilling.

Scope remains at the other lodes to outline resources of similar size and grade to Spur-Dalcoath, which may then aggregate into a viable project.

Further drilling is planned to test for extensions of known lodes and clarify structural controls for further targeting. Several areas remain untested by drilling and ongoing geophysical and geochemical surveys are planned to refine these peripheral targets.

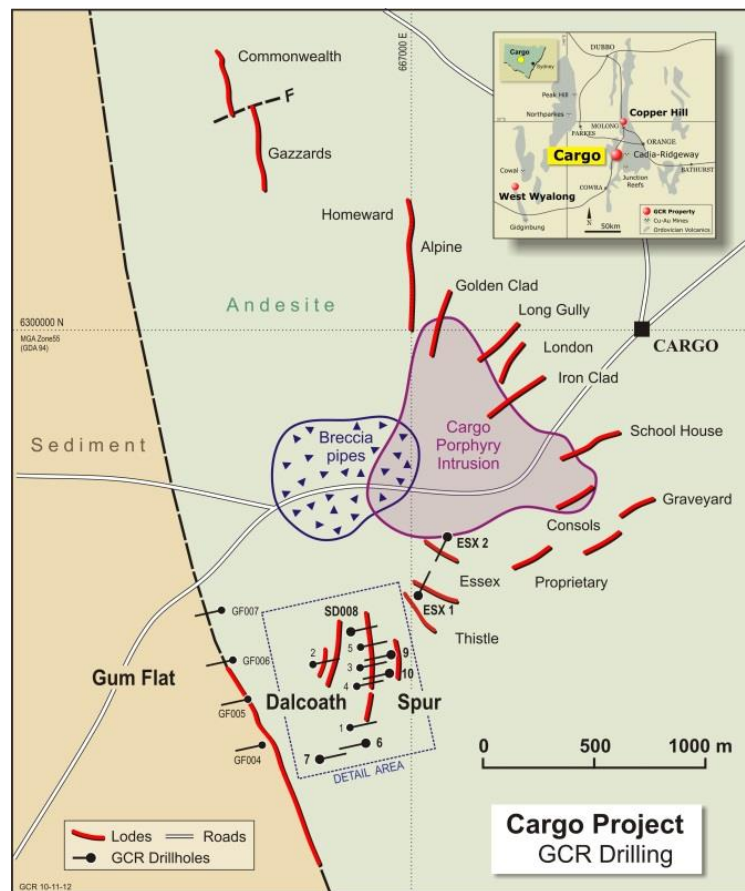


Figure 8: Cargo Lode Systems and Central Porphyry

Geological consultants Corbett, Menzies, Cunliffe Pty Ltd have conducted annual field teaching courses at Cargo in recent years and observed potassic mineralogical associations (notably actinolite) similar to those observed on the margins of porphyry gold-copper systems at Wafi-Golpu PNG, and at Cadia-Ridgeway. CMC has proposed systematic mineralogical identification work on existing drill core to establish vectors to potential deeper porphyry mineralisation below the low grade copper zones intersected to date and it is planned to undertake this work during the current financial year.

Other Projects

Golden Cross has a diversity of projects outside the core Copper Hill and Cargo Projects, reflecting its history of active exploration, mainly in New South Wales. Many of these projects are now subject of joint ventures and the remainder are available for farm-in.

South Australia – Gawler Craton IOCG (Copper-Gold 100% GCR) Oolgelima, Giddinna, Codna Hill, Stuart Range

Golden Cross retains four granted tenements covering 1,767 km² within the northern Gawler Craton of South Australia near the town of Coober Pedy. The tenements contain a number of coincident gravity-magnetic anomalies potentially reflecting the presence of Prominent Hill – Carrapateena-type Iron Oxide Copper Gold (IOCG) deposits. The exploration target is an iron-oxide-copper-gold (IOCG) deposits up to 150 million tonnes with grades up to 1.5% copper and/or 1.5g/t gold, based on similar geophysical signatures to Prominent Hill and Carrapateena.

Gawler Craton IOCG deposits are characterised by extensive hematite-magnetite (iron) alteration and brecciation, and typically comprise disseminated to massive chalcopyrite, chalcocite and bornite copper mineralisation with associated gold and rare earths. The deposits often include economic uranium and accessory rare earth elements. The location of the Golden Cross tenements and the geophysical targets within them, as well as mines and prospects in the region are shown in Figure 9.

Carrapateena and Prominent Hill were discovered by drilling coincident magnetic and gravity anomalies comparable with those defined by Golden Cross. On-going field work and desk-top studies utilising new and infill gravity survey data, defined high quality anomalies and provided data for improved drill targeting.

Advanced geophysical modelling identified magnetic and gravity anomalies and a first pass program of three holes was completed in 2013. The most encouraging results came from drill hole SRE001 at the SR11 anomaly in the Coober Pedy Rise Domain (Figure 9). Basement was intersected at the relatively shallow depth of 75 metres, indicating a basement topographic high. SRE001 returned a 10 metre zone from 164-174 metres with elevated copper values, peaking at 1,320 ppm. The zone correlates with observed disseminated pyrite and chalcopyrite in sericite-chlorite altered metavolcanics. A second zone of elevated copper values occurs from 365-369 metres, peaking at 1,710 ppm copper.

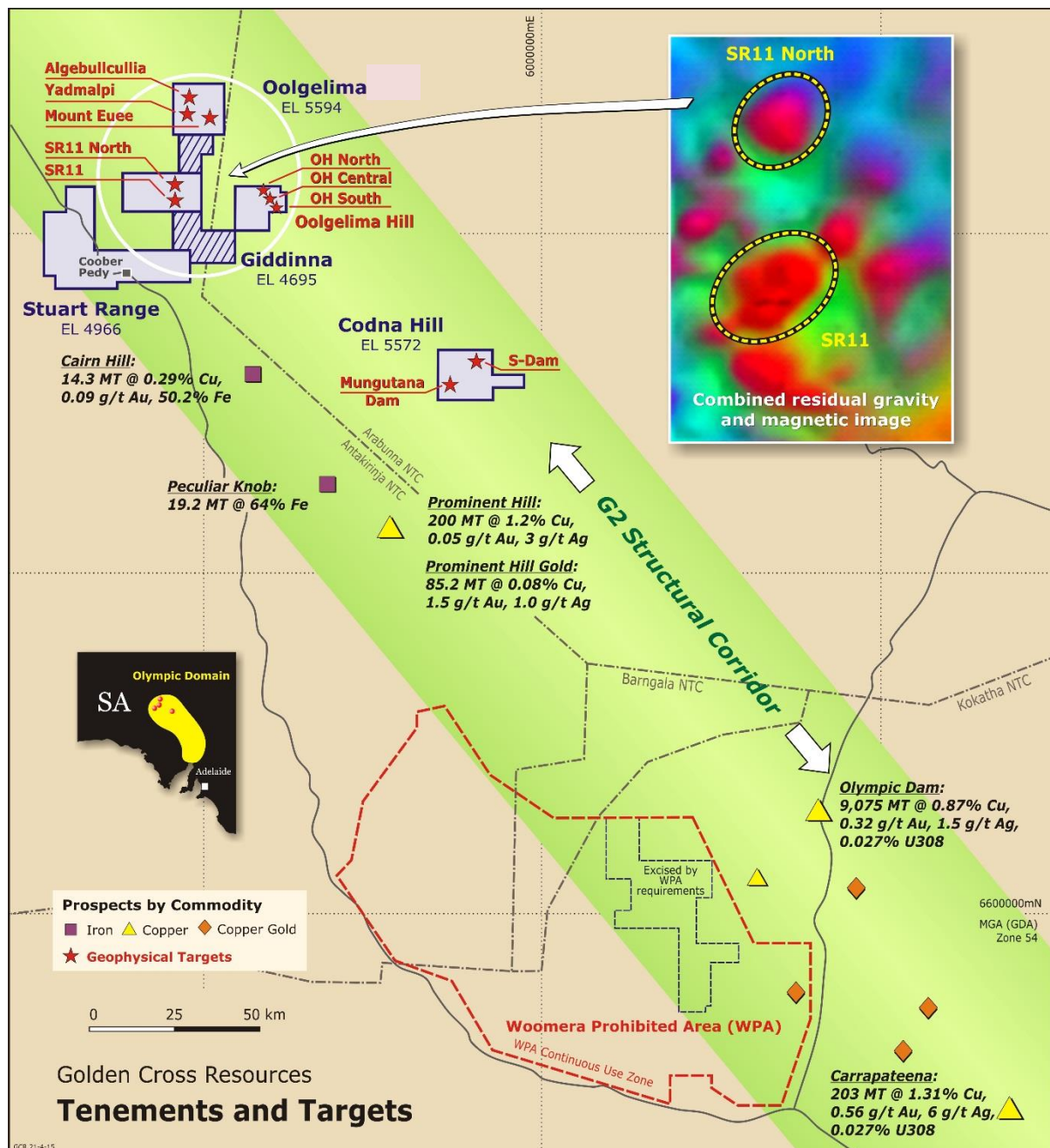


Figure 9: South Australia tenements and targets

The presence of magnetite-biotite and hematite-sericite alteration suggests the impact of the Hiltaba-Gawler Range Volcanics magmatic event. The regional Hiltaba event also dominates the better defined Mount Woods Inlier and Olympic Domain to the south, which host established deposits such as Prominent Hill and Olympic Dam.

Land access approvals are in place for drill sites in EL4427 Oolgelima, and a followup program of three further holes has qualified for a drilling subsidy from the South Australian government under the PACE 2015 Drilling Program. The region is subject of several government research initiatives which promise to advance knowledge of the subsurface geology.

Canbelego – Nymagee Region Projects New South Wales (Copper-Gold GCR 20% at Wagga Tank; 100% on other projects)

Prospectivity of the region is confirmed by announcements by other resource companies on nearby deposits such as Hera, extensions to the historic Nymagee Copper Mine, and discovery of the Mallee Bull deposit in May 2012 (Figure 10). At Canbelego in the north, mining recommenced at the Mount Boppy Gold mine with anticipated production of 67,000 ounces of gold from early 2016, over which Golden Cross has a 3% production royalty, 600 ounces of which was prepaid during an earlier phase of mining at Mt Boppy. Based on published production estimates GCR expects royalty payments to commence by December Quarter of 2016.

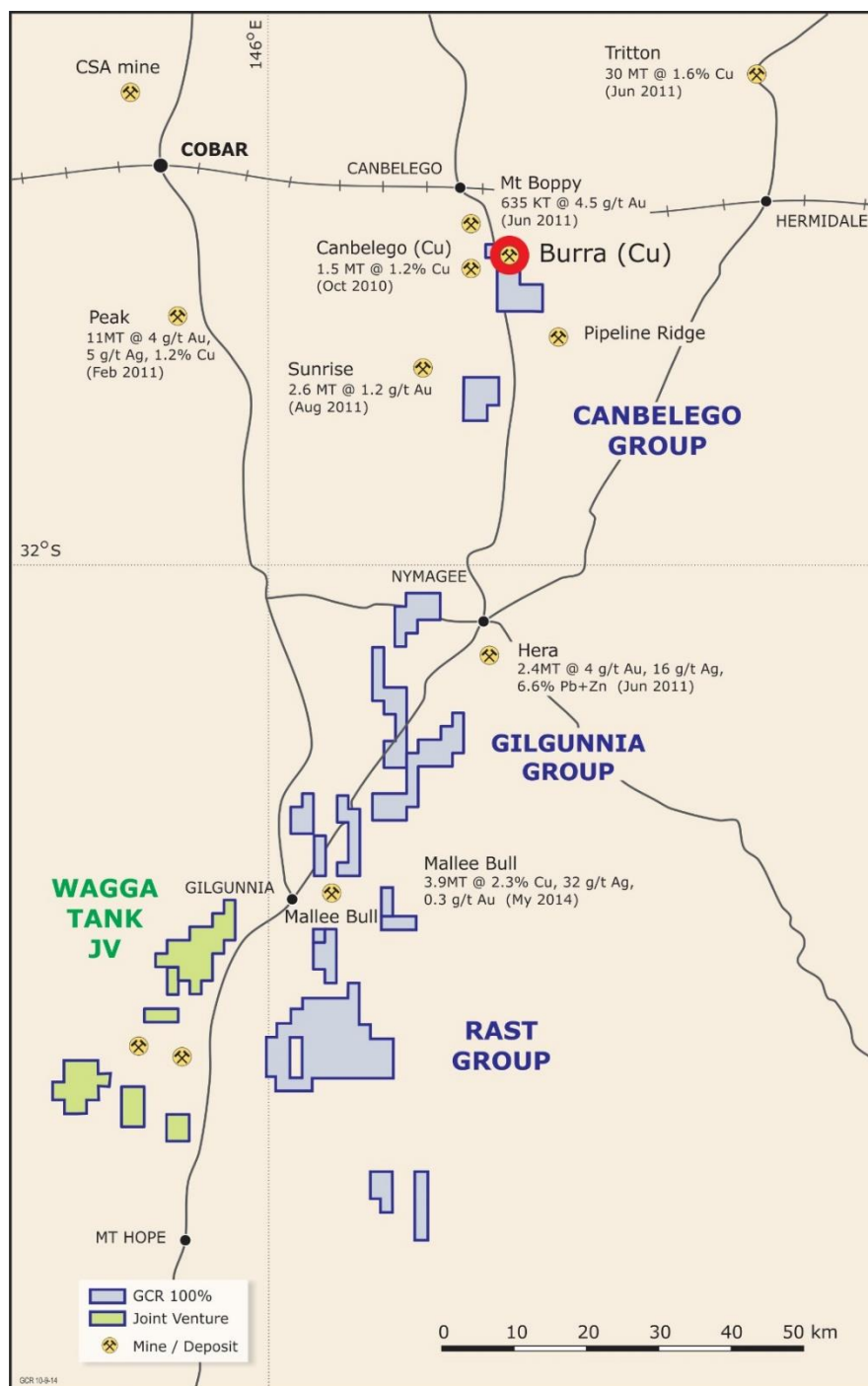


Figure 10: Nymagee Region tenements and joint ventures

Extensive areas of Airborne EM have been flown by all explorers including Golden Cross, and the technique is credited with initial discovery of Mallee Bull. However surficial effects mask conductivity responses from much of the bedrock mineralisation and surface geophysics coupled with drilling below the ~90m deep zone of geochemical depletion is generally required to test targets.

Canbelego Group

The Canbelego Group of tenements now consists of EL7389 Burra, and EL7065 Fairview Tank. The key tenement is EL7389 Burra where three prospects, Burra Copper Mine, Block 51 and B51SE have known base metal mineralisation coincident with magnetic and EM anomalies and elevated copper-in-soil geochemistry. The historic Burra Copper Mine is 40km east of Cobar and 5 km south of Canbelego, and has drill-indicated potential to host deep-seated, Cobar-style mineral systems. Copper and lead-zinc mineralisation with gold/silver credits have been intersected in most of the thirteen RC percussion and core holes drilled to date. The lode geometry at Burra is complex, but encouraging copper intersections have been found over a strike length of 200m, and, as at Block 51, the mineralisation coincides with magnetic highs.

Highlights of previous Golden Cross drilling include:-

- GCB 156: 4m @ 1.25% copper from 57m
- GCB 158: 3m @ 2.84% copper from 147m
- GCB 158: 3m @ 1.68% copper from 154m
- GCB 160: 17m @ 0.97% copper from 187m

Individual one metre assays in these zones range up to 6.45% Cu.

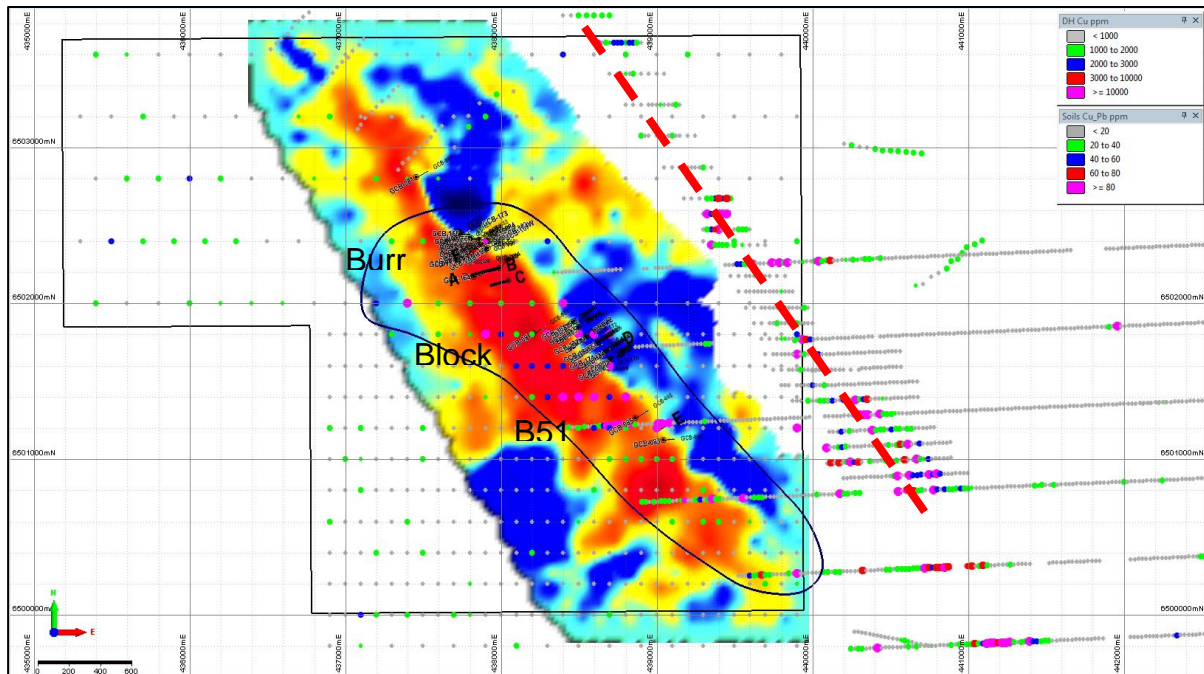


Figure 11: Burra Prospects, from NW to SE, the Burra Mine, Block 51 and B51SE, plotted on new gravity data with soil copper values. Geweroo trend in red dashed line

Block 51 is located one kilometre southeast of Burra, and has a mineralised zone with a longer northwest-southeast strike length of 400m, and higher levels of bismuth geochemistry typical of Cobar style gold deposits. Mineralisation is coincident with a

prominent aeromagnetic high and elevated copper in soils; a similar signature is evident 750 metres further southeast at B51SE. Unlike the Burra Mine, the known mineralisation at B51 is in a gravity low, and is adjacent to the ridge of gravity high that may reflect the contact between Devonian Baledmund Formation sediments and underlying Ordovician Girilambone sediments (Figure 11).

Eight Golden Cross RC holes have been drilled at Block 51; yielding significant intersections:-

- GCB 169: 12m @ 0.9% copper from 30m
- GCB 170: 3m @ 0.8 % copper from 46m
- GCB 172: 3m @ 0.8% copper from 95m
- GCB 177: 18m @ 0.52% copper from 20 metres

Nymagee Region

Interest in the region is driven by discovery of the Mallee Bull copper deposit in 2012, and extensions to the Hera and Nymagee polymetallic deposits.

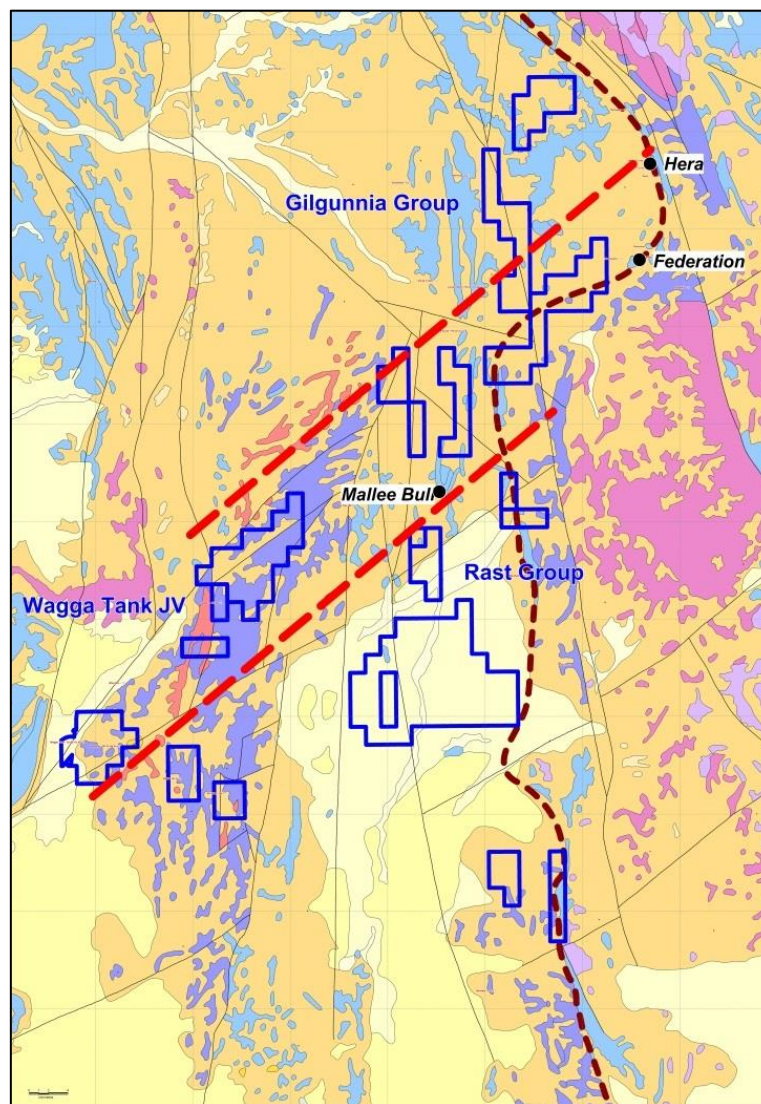


Figure 12: Wagga Tank JV – Gilgunnia – Rast Group tenements on regional geology, highlighting the Wagga Tank-Nymagee structural corridor (red), and Favourable Stratigraphic Horizon (brown).

Rast & Gilgunnia Groups - New South Wales (Copper-Gold-Lead-Zinc 100% GCR)

The Rast Group of tenements covers the eastern margin of the Rast Trough in the southern Cobar Basin south of Nymagee. It includes the following tenements:-

- EL7485 - Burthong Creek
- EL7322 - Delaneys Tank
- EL7970 - Four Mile South
- EL8720 - Kilparney
- EL6878 - Rast

Golden Cross exploration has evolved away from the original concepts focused on a favourable stratigraphic horizon in the southern parts of the Rast Basin, in favour of areas within the interpreted Wagga Tank Nymagee Structural corridor which hosts most of the known significant mineral occurrences

Gilgunnia Group - New South Wales (Copper-Gold-Lead-Zinc 100% GCR)

The Gilgunnia Group consists of EL6879 Rast North, EL7320 Kelly Tank and EL7323 Emu Tank. Extensive airborne EM data was collected under the previous Joint Venture with MMG Australia Ltd. Encouraging geochemical indications were returned from the north-eastern end of the structural corridor; in this area the favourable horizon is significantly deformed, and the adjoining ground to the east hosts several promising prospects defined by surface geochemistry and infill gravity (eg. Federation), being explored by Aurelia Resources Ltd.

Quidong Base Metal Project (Copper-Gold-Zinc-Lead 100% GCR)

At Quidong, in southeastern NSW, copper, lead, zinc, gold and silver mineralisation occurs in structurally controlled and pyritic sediment-hosted occurrences within a limestone sequence. Analogues have been proposed with volcanic hosted massive sulphide deposits (VHMS), Irish-type carbonate-hosted lead-zinc deposits and Carlin and Sepon-style gold deposits.

Occurrences of zinc-lead-silver-barite, copper and gold are widespread and evidenced by high levels of surface geochemical anomalism and numerous economic and sub-economic drill intersections located around the edges of the basin. The basin has been targeted by modern exploration since the 1950's, however large areas of the central basin where the host stratigraphic horizons can be expected to occur at moderate depths, remain under-explored.

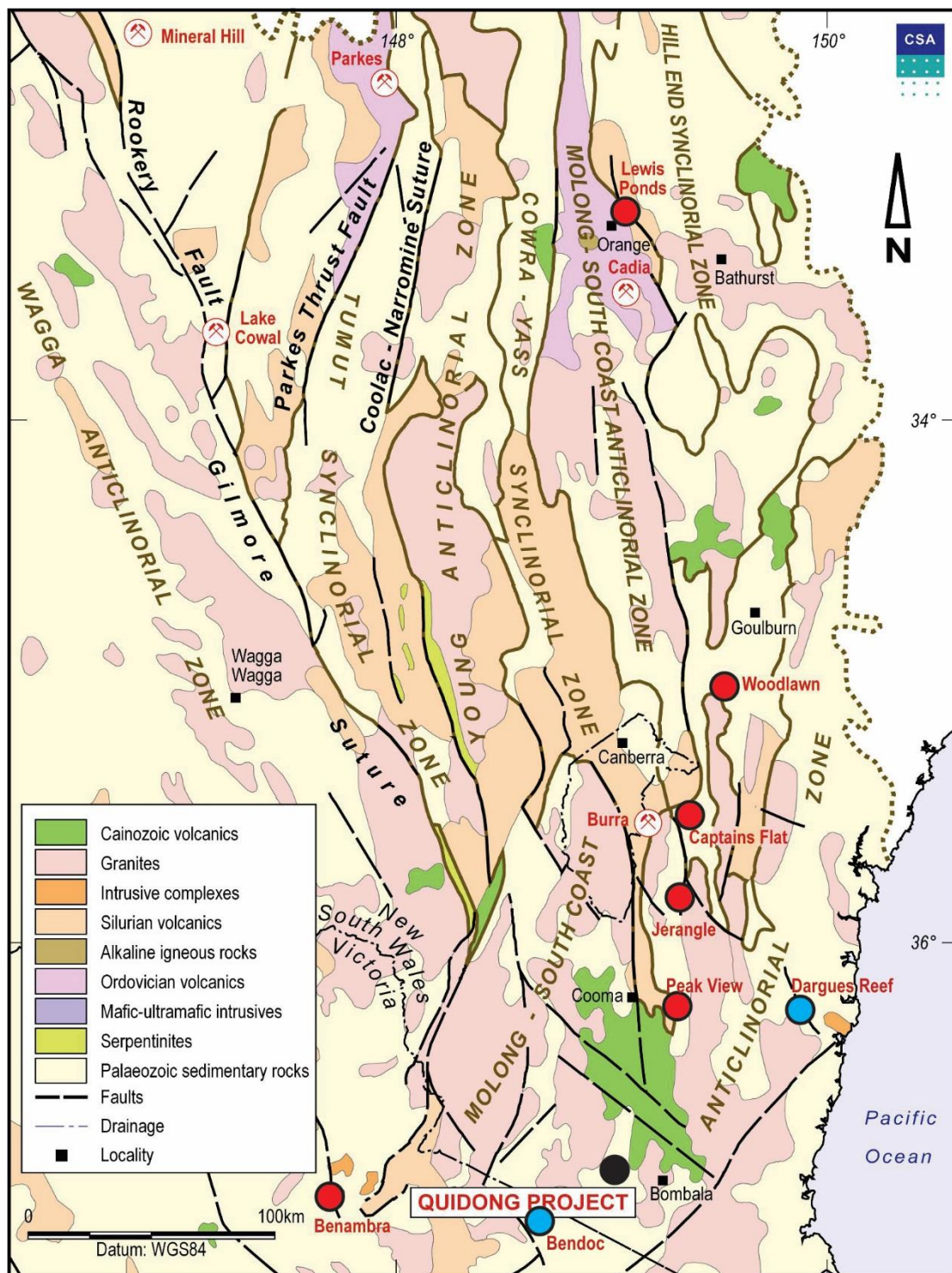


Figure 13: Quidong Location, showing regional VHMS (red) and IRG (blue) occurrences

Early exploration at Quidong established widespread elevated geochemical values over an area of 5 kilometres x 5 kilometres. However, it was not until 1981 that the first significant ore grade intercept was achieved at the main Clarke's Reef prospect on the eastern side of the Basin (Figure 14). Drilling by subsequent explorers returned intercepts of similar tenor, peaking with a thin (0.34m) massive sulphide interval at 228 metres downhole in Avon Resources' MQD-03, grading 22.87% zinc, 4.59% lead and 98.9ppm silver. MQD-03 was 70 metres south of the section in Figure 14.

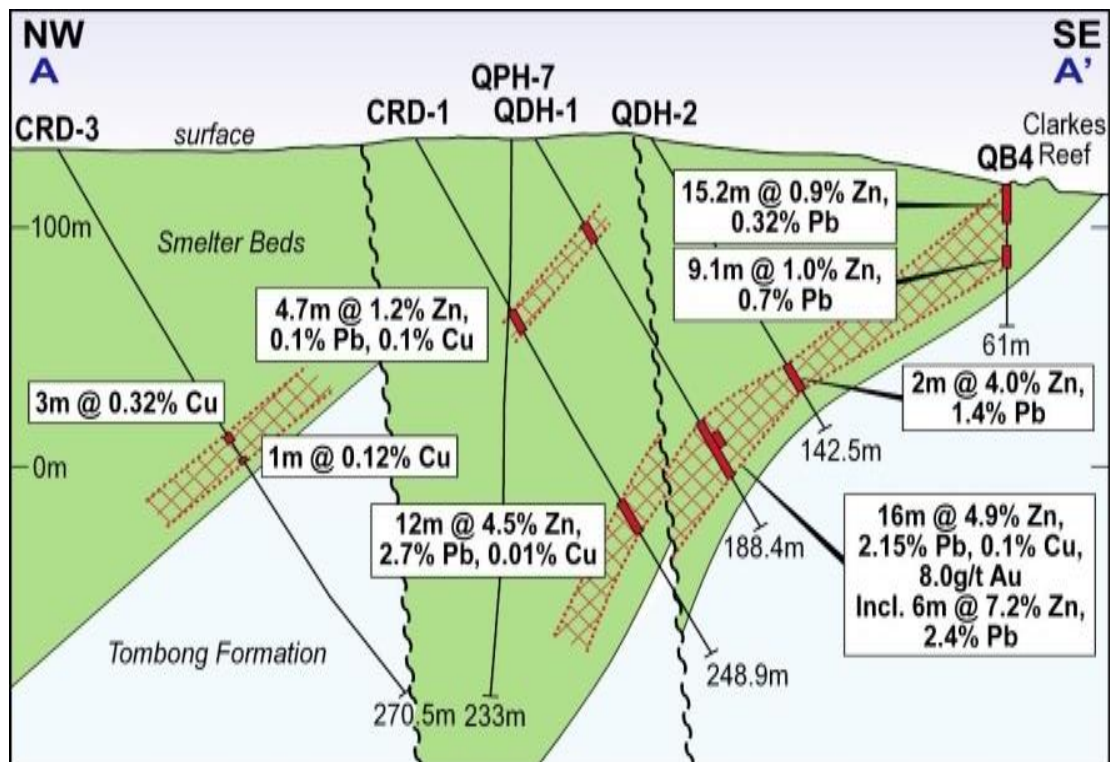


Figure 14: Typical Section: Historical drilling at Clarke's Reef, southeast edge of the Quidong Basin

Occurrences of gold in the region also support conceptual Intrusive Related Gold deposits. The region has a strong zinc and gold association at Quidong and Bendoc, 20 kilometres south, and is in a tectonic belt that contains the Woodlawn, Captains Flat, Jerangle, Peak View and Benambra volcanic hosted massive sulphide occurrences.

Prospecting, rock sampling and historic data compilation was completed at Quidong in 2015 ahead of refinement of numerous drill targets.

GCR Panama Inc. (Copper-Gold 100% GCR-owned subsidiary – for sale)

GCR Panama is a wholly owned subsidiary of Golden Cross and has ceased active exploration in the country following the cancellation of five of GCRP's six exploration licence applications within Panama's native title Comarca area, leaving one application (El Cope) current.

GCRP presented an opportunity to acquire a Panama-based and registered exploration company with a prospective EL application and a very substantial geological, geochemical and geophysical data base covering much of Panama. However, due to uncertainty of tenure and low interest in acquisition of GCRP, Golden Cross has commenced procedures to withdraw completely from Panama.

Joint Ventures

Joint venture partners have continued to conduct exploration over other projects in the portfolio (Figure 1).

Mulga Tank Nickel, WA

with Impact Minerals Ltd.

Golden Cross' remaining 25% interest in Mulga Tank was sold to Impact Minerals for \$275,000 in January 2015.

Wagga Tank Base Metals, NSW.

with MMG Australia Ltd (80%).

MMG Australia has ceased active exploration in the region and is seeking joint venture partners to further exploration.

Mount Isa Phosphate, QLD

with Paradise phosphate Pty Ltd (80%)

Legend International Holdings Inc. earned an 80% interest after advising expenditure of \$3 million. An IPO of subsidiary Paradise Phosphate Ltd was abandoned in 2012, and the project remains subject to improved phosphate prices.

Golden Cross is free-carried through to decision to mine, and retains rights to minerals apart from phosphate.

Broken Hill Base metals and Platinum Group Metals, NSW

with Silver City Minerals Ltd and Impact Minerals Ltd.

Golden Cross currently owns 100% of gold, silver and basemetals. Silver City Minerals has the right to earn up to 80% interest in gold, silver and base metals.

A second joint venture over the same tenement gives Impact Minerals Ltd rights to earn interest in nickel and platinum group metals hosted by ultramafic rocks. On 23 December 2014, Impact advised that it had earned 80% interest.

West Wyalong Gold and Sunny Corner Base Metals, NSW

with Argent Minerals Limited (51% and 70% respectively)

Argent Minerals continues to explore the Sunny Corner massive sulphide project and the West Wyalong copper-gold project.

Previously Released Information

This Annual Report contains information extracted from the following previously released reports which are available for viewing on the Company's website, www.goldencross.com.au.

21 May 2012 – “Inferred Resource at Cargo NSW”

29 July 2014 – “Copper Hill Drilling Update” (GCHD469)

11 August 2014 – “Copper Hill Drilling Update – GCHD470”

25 August 2014 – “Copper Hill Drilling Update – GCHD470 – Complete Assays”

18 September 2014 – “Copper Hill Drilling Update – GCHD471”

23 October 2014 – “Copper Hill Drilling Update – GCHD472, GCHD473, GCHD474”

25 November 2014 – “Copper Hill Drilling Update – GCHD473 & GCHD474”

11 December 2014 – “Copper Hill Drilling Update – GCHD474”

5 March 2015 – “Copper Hill Update”

24 March 2015 – “Copper Hill Resources Estimate”

15 April 2015 – “Copper Hill Scoping Study”

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements, and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements 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 announcement.

ROYALTIES

The Company holds the royalties listed below. It does not expect to receive any payments during the coming financial year.

LOCATION	TENEMENT NAME	TENEMENT	km ²	HOLDER	% HOLDING	ROYALTY TYPE
Adelong (NSW)	Adelong Gold Project	ML 1435, EL 5728, & EL 6372	198	CML	Royalty	1% gross up to 2,500 oz
Mt Boppy (NSW)	Canbelego	Mt Boppy Gold Project	2.2	PLY	Royalty	3% gross
Wyoming One (NSW)	McPhails	EL 5830	10	ALK	Royalty	Up to 5% NSR
BrightStar Alpha (WA)	Merolia	Former E 38/970, incl M 38/968	25	SHK	Royalty	2% gross
Mt Weld Area (WA)	Mt Weld	Former E 39/636	20	SHK	Royalty	2% gross
Surat and Clarence-Moreton Basin (Qld)		Various			Royalty	\$5/t to \$30m then \$1/t, 10% coal seam gas

ALK	Alkane Resources Limited (ASX: ALK)
CML	Challenger Mines Pty Limited, as assignee from Tasman Goldfields NSW Pty Limited
GCO	Golden Cross Operations Pty Ltd, a wholly owned subsidiary of GCR
PLY	Polymetals Mining Services Pty Ltd, a wholly owned subsidiary of Black Oak Minerals Limited (ASX:BOK)
SHK	Stone Resources Australia Limited (ASX: SHK), (formerly A1 Minerals Limited)

Adelong, NSW

The Company holds a 1% gold production royalty, capped at 2,500 oz, over the Adelong Gold Project in NSW. In 2007 the Company sold Challenger Mines Pty Limited, which held the project, to Tasman Goldfields Limited. In 2010 Tasman Goldfields sold Challenger Mines to Macquarie Gold Limited and the royalty vested in Challenger Mines Pty Limited.

Mt Boppy, NSW

The Company holds a 3% gross royalty over gold production from the Mt Boppy Gold Mine at Canbelego, NSW, owned by Black Oak Minerals Limited. The Company received royalty payments totaling 750 ounces of gold during 2007, of which the Company's 95% share was sold on the spot market. The remaining 5% of the royalty was paid to former Mt Boppy tenement holders. Since then, the Company has bought the interests of the former Mt Boppy tenement holders and is now entitled to 100% of any future royalties. Mining at Mt Boppy recommenced in 2015, and restart of the royalty stream is expected in 2016, subject to production.

Wyoming One, NSW

Golden Cross Operations Pty Ltd holds a royalty of \$0.75 per tonne for the first 0.5 Mt, then a 3% net smelter return (to 150,000 oz of gold production), of former EL 5830, held by Alkane Exploration Limited. EL 5830 contains the southern portion (mainly underground) of the Wyoming One gold resource, near the town of Tomingley, NSW. GCO's royalty interest is subject to a 10% free carried interest held by Metallic Resources Pty Ltd, so ten per cent of the royalty is payable to Metallic Resources Pty Ltd. Mining operations (pre-stripping) commenced at the Wyoming One open cut in 2015.

BrightStar Alpha, WA

The Company holds a 2% gross royalty over former E38/970 near Laverton. The area contains the southeastern part of the 2 km long BrightStar Alpha Area under exploration by A1 Minerals Limited. The area of former E38/970 includes M 38/968.

Mt Weld Area, WA

This 2% gross royalty relates to the former E39/636 near Laverton and was provided for in the same deed and on the same terms as the BrightStar Alpha Royalty.

Surat and Clarence-Moreton Basin, Queensland

The Company holds a royalty of \$5.00 per tonne of saleable coal, up to a maximum of \$30 million and thereafter a royalty payment of \$1.00 per tonne of saleable coal produced from the following tenements for a period of twenty years: EPC 1655 Chinchilla South, EPC 1643 Warwick, EPC 1658 Dalby, EPC 1659 Chinchilla North, and EPC 2242 Boonah East, along with such of the applications initially made by the Company known as EPCA 2082 Boonah, EPCA 2068 Warwick North, EPCA 1656 Warwick Extended, EPCA 1639 Nebo, EPCA 1642 Pentland, EPCA 2252 Pentland East, EPCA 2258 Roadvale, and EPCA 2257 Boonah North as were or are ultimately granted. The Company also holds a royalty of 10% of wellhead value from coal seam gas production.

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Golden Cross Resources Ltd ("GCR") and the entities it controlled at the end of, or during, the year ended 30 June 2015.

DIRECTORS AND COMPANY SECRETARIES

The qualifications, experience, and special responsibilities of the Company's directors and the qualifications and experience of each company secretary in office during the financial year and until the date of this report, unless noted otherwise, are as follows:

Director	Qualifications and Experience	Special Responsibilities
Jingmin Qian	Non-executive Director since 29 November 2010, interim chairman since 16 October 2014. BEc, MBA, CFA, FAICD. Over 20 years' experience in strategy, finance and management. Director of Jing Meridian and CFA Society of Sydney, Australia China Business Council and a Council Member of Macquarie University Council. Previously held senior management roles in Leighton Holdings, Boral Limited and L.E.K. Consulting in Australia, and MOFTEC (Currently Ministry of Commerce) in China. CFA Charterholder and Fellow of Australian Institution of Company Directors	Interim Chairman Appointed 23 October 2014 Chairman of the Audit Committee. Chairman of the Remuneration and Nomination Committee
Steve Gemell	Non-executive Director and Chairman from 7 June 2012 until 13 October 2014. BE (Mining) (Hons), FAusIMM (CP), MAIME, MMICA. Mining engineer with more than 35 years' experience in the Australasian and global mining industry including feasibility studies, resource development, mining operations and project assessments. Managed operations in a range of commodities including base and precious metals, and industrial minerals. Involved in underground and open pit mining, and supervised CIP/CIL, flotation, and alluvial plants. Principal of Gemell Mining Engineers, an independent multi-discipline consultancy formed in Kalgoorlie in 1984. Currently an AusIMM appointee to the VALMIN Committee. Non-executive chairman of Argent Minerals Limited and of Eastern Iron Limited. Ceased to be a non-executive director of Indochine Mining Limited on 7 June 2013. Ceased to be a director of UCL Resources Limited on 5 July 2013. Resigned from the board of Dateline Resources Limited on 19 August 2014.	Member of the Audit Committee from 17 July 2012 to 13 March 2014. Member of the Remuneration and Nomination Committee from 15 November 2012 until 31 January 2013 and from 19 June 2013 until 13 October 2014, Chairman from 13 March 2014 until 13 October 2014. resigned 13 October 2014
Ken Hellsten	Mr Hellsten has held broad-ranging senior executive positions in the resources sector with both large multi-national and smaller companies including BHPBilliton, Centaur Mining, Polaris Mining and Strike Resources. During his executive career he has been responsible for the acquisition and/or resource definition at several gold projects including Union Reefs, Tanami and Mt Pleasant (Quarters) projects. Over the past 30 years Ken has worked almost exclusively in lead roles on resources projects and operations including Union Reefs, Mt Pleasant Gold Operations, Cawse and Ravensthorpe Nickel Projects, Yilgarn Iron Ore Project and Opaban iron ore project in Peru. Since 2006 Ken has operated as a consultant and/or director to a wide range of resources and investment groups and held the role of Managing Director with a number of resource companies including Polaris Metals, Strike Resources and Ironclad Mining. He is currently a Non-executive Director for Brierty Limited, a civil and mining contractor with annual turnover of \$300 million.	Appointed 17 December 2014 Member of the Remuneration Committee, member of the Nomination and Audit Committee.
Kim Stanton-Cook	Managing Director from 1 March 2006 to 17 December 2014. BA (Geology and Geophysics), MAIG, ASEG, SEG. Experienced geologist with over 40 years' experience in mineral exploration. Held senior management roles with several major companies including Getty Oil, Otter Gold and Delta Gold, where he was Chief Geologist, involved in the discovery and proving up of the Kanowna Belle Gold Mine. Involved in mineral exploration and development for gold, base metals and uranium throughout Australia and North America and has explored for, or reviewed, mineral deposits in New Zealand, Papua New Guinea, Southeast Asia, Mongolia, Panama and Zimbabwe.	ceased 17 December 2014
Ian Buchhorn	Non-executive Director since 3 March 2014. Mineral Economist and Geologist with 40 years mineral industry experience since graduating with Honours from Adelaide University in 1974. Prior to listing Heron Resources in 1996 as founding Managing Director, worked with Anglo American Corporation in southern Africa, and Comcalco, Shell/Billiton and Elders Resources in Australia, as well as setting up and managing Australia's first specialist mining grade control consultancy. Worked on feasibility studies, bauxite and industrial mineral mining and exploration, gold and base metal project generation, and in corporate evaluations. For the last 20 years, has acquired and developed mining projects throughout the Eastern Goldfields of Western Australia and operated as a Registered Mine Manager.	Member of the Remuneration and Nomination Committee and Audit Committee since 13 March 2014
Xiaoming Li	Non-executive Director since 13 January 2009. Over 20 years of experience in mining investment and operation. Successfully invested in several significant iron, copper, zinc, and lead mines in Mongolia, Kazakhstan, Chile, Philippines, Cambodia, and China. Chairman of China United Mining Investment Co., Ltd (CUMIC), Qinglong (International) Group, and Hong Kong Lungming Investment Ltd.	
Yuanheng Wang	Non-executive Director since 28 November 2014. LLB, postgraduate certificate in laws. Solicitor of Hong Kong since 1993. Currently, consultant solicitor of Messrs. W.H. Chik & Co., Solicitors, Hong Kong and chief legal advisor to Lung Ming Mining Co., Ltd of Hong Kong. His area of legal work is mainly corporate and commercial, including corporate finance, project finance, general commercial and company matters.	Appointed 28 November 2014 Member of the Remuneration, Nomination and Audit Committee since 28 November 2014
Xun (Suzanne) Qiu	Non-executive Director from 13 January 2009 to 28 November 2014. JP. Director of HQ Mining Resources Holdings Pty Ltd. Management professional with 7 years' experience in the tourism industry, with particular emphasis on Chinese Government delegations. Currently Administration Director at Yuhu Group (Australia) Pty Ltd. Introduced many groups of Chinese delegates to various industries and councils across Australia.	Member of the Remuneration and Nomination Committee and Audit Committee. ceased 28 November 2014

Yan Li	Alternate Director to his uncle Xiaoming Li since 5 July 2010. Executive MBA from the People's University of China. Director of Beijing Shiji Qinlong Hi-Tech Co. Ltd.	
Simon Lennon	Company Secretary, Legal Counsel, and Chief Financial Officer from October 2008 to 17 December 2014. BSc, LLB, MCom, MBA, FGIA. Legal counsel and company secretary for the shipping division of a multinational transport company, 1988 to 1994. Legal counsel and company secretary for a multinational shipping company, 1994 to 1999. Legal general manager for an Australasian gold mining company and company secretary of its stock exchange listed subsidiary, 2000 to 2001. Legal counsel and company secretary for a major manufacturing company, 2003 to 2006. Interim insurance manager for a multinational funds management company, 2007 to 2008.	ceased 17 December 2014
Mark Langan	Company Secretary and Chief Financial Officer from 17 December 2014 to 10 August 2015. Mr Langan is a Chartered Accountant with over 25 years' experience in public practice and commerce. He has worked in listed companies in the Asia Pacific region in the property, services and resource sectors. Mr Langan has a Bachelor of Business from the University of Technology majoring in accounting with a sub major in business law. He is a member of the Institute of Chartered Accountants of Australia.	Appointed 17 December 2014 Resigned 10 August 2015
Carl Hoyer	Interim Company Secretary. Carl joined GCR part time in 2000 with over 25 years' accounting experience, he previously worked part time for Minteq Australia Pty Ltd up until 2007. Previously Carl was employed in various roles with CSR Limited from 1975 to 1997.	Appointed 12 August 2015

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the year consisted of mineral exploration and development, with a focus on exploration for gold and base metals, principally copper.

OBJECTIVES

The Company's long-term objective is to participate in the discovery of one or more world-class mineral deposits. The short-term objective is to add value through exploration and development of mineral properties. Value may be added through identifying and acquiring mineral properties in prospective locations, generating drill targets through sampling and geological modelling, delineating resources, entering into beneficial farm-in arrangements with other companies, or developing projects through to production to provide cash flow.

The Company is assessing and further exploring its Copper Hill Project, while carrying out exploration directly or through farm-out agreements and joint ventures elsewhere in Australia. It holds a tenement application in Panama.

DIVIDENDS

The Directors' report that during the year ended 30 June 2015, no dividends were declared or paid. The Directors of the Company do not recommend the payment of a dividend in respect of the financial year.

OPERATING AND FINANCIAL REVIEW

The most significant developments in the Company's operations and financing activities were:

1. Copper Hill – completion of 3,052m drilling and subsequent resource update and scoping study.
2. Burra – 2014 drilling returned 18m @ 0.5% copper from 20 metres
3. South Australia – government drill subsidy of \$60,000 offered.
4. Eight active farm-ins and other joint ventures on GCR properties were in place at year-end, as follows:
 - Broken Hill - silver, lead, zinc, and gold, with Silver City Minerals Limited;
 - Broken Hill - platinum group elements and nickel, with Impact Minerals Limited
 - Mulga Tank – remaining 25% interest sold to Impact Minerals Limited
 - Cullarin - with Heron Resources Limited (after merger with TriAusMin Limited);
 - Mt Isa Phosphate - (Highland Plains; Lily & Sherrin Creek, Quita Creek) with Paradise Phosphate Limited (a subsidiary of Legend International Holdings);
 - Sunny Corner – base metals with Argent Minerals Limited;
 - Wagga Tank - with Minerals and Metals Group Australia (a wholly owned subsidiary of MMG Limited); and
 - West Wyalong - with Argent Minerals Limited.

Further details are set out in the Review of Operations in the Annual Report.

Falls in the value of the Company's holdings in other ASX listed entities amounted to a \$2,000 realised loss on investments in the 2015 year (2014: unrealised gain of \$4,000).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

At the date of this report there are no matters that have arisen since 30 June 2015 that have significantly affected or may significantly affect the operations of the consolidated entity in future financial years, the results of operations in future financial years, or the state of affairs in future financial years of the consolidated entity, except as follows.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

GCR is active on its major properties and its farm-in and joint venture partners are exploring under the various farm-in and joint venture arrangements.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity is subject to significant environmental regulation in respect to its exploration activities. The Company meets the standards set by the Australian Minerals Industry Code for Environmental Management.

The Company has developed criteria to determine areas of 'particular' or 'significant' importance, with regard to environmental performance.

These are graded 1 to 4 in terms of priority.

Level 1 incident	major non-compliance with regulatory requirement resulting in potential public outcry and significant environmental damage both long and short-term nature.
Level 2 incident	significant non-compliance resulting in regulatory action, however environmental damage is only of a short-term nature.
Level 3 incident	minor non-compliance – no fine is imposed, however regulatory authority is notified.
Level 4 incident	non-compliance with internal policies and procedures. The incident is contained on-site.

No reportable incidents occurred during the year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into deeds of indemnity, insurance and access with the directors, indemnifying them against claims, liabilities and defence costs, to the extent permitted by the Corporations Act. During the financial year, the Company paid a premium to insure the Directors and other officers of the Company and its wholly owned subsidiaries. Under the terms of the policy, the policy premium and policy liability cannot be disclosed.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

REMUNERATION REPORT – AUDITED

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Group. For the purposes of this report Key Management Personnel (**KMP**) of the group are those persons responsible for the strategic direction and operational management of the Company.

REMUNERATION PHILOSOPHY

The Company's aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and directors are remunerated to a level consistent with the size of the Company. The Company maintains an Employee Option Plan.

NON-EXECUTIVE DIRECTORS' FEES

The current base fees, last reviewed in March 2004, are \$30,000 for a Non-executive Director. The base fee for the Chairman was raised from \$40,000 to \$50,000 on 7 June 2012. These are within the aggregate Directors Fee Pool Limit of \$300,000 set at the 2014 Annual General Meeting. Mr Li Xiaoming does not receive compensation or fees. All fees are exclusive of superannuation.

EXECUTIVE REMUNERATION

Executive management is remunerated at a level appropriate to an exploration company the size of GCR. Remuneration is set having regard to performance and relevant comparative information. In addition to a base salary, remuneration packages include superannuation, termination entitlements, fringe benefits and Employee Options pursuant to the Employee Option Plan. Employee Options are issued, following a recommendation to the Board by the Remuneration and Nomination Committee, in consideration of an employee's efforts undertaken on behalf of the Company, and assist with the motivation and retention of employees. The issue of options to Directors requires shareholder approval.

SERVICE AGREEMENTS

Ken Hellsten, Interim CEO, is employed under an employment contract with GCR.

Mark Langan, Company Secretary, Legal Counsel, and Chief Financial Officer, was employed under a service contract with Company Matters

There are no service agreements in place for the Non-executive Directors.

DETAILS OF KEY MANAGEMENT PERSONNEL

DIRECTORS AND COMPANY SECRETARY

Ken Hellsten	Interim CEO, appointed 17 th December 2014
Kim Stanton-Cook	Managing Director, ceased 17 th December 2014
Jingmin Qian	Interim Chairman, appointed 23 rd October 2014
Steve Gemell	Chairman, resigned 13 th October 2014
Ian Buchhorn	Director (non-executive)
Xiaoming Li	Director (non-executive) Yan Li (Alternate)
Yan Li	Alternate Director to Xiaoming Li

Yuanheng Wang	Director (non-executive) appointed 28 th November 2014
Suzanne Qiu	Director (non-executive) ceased 28 th November 2014
Simon Lennon	Company Secretary ceased 17 th December 2014
Mark Langan	Company Secretary appointed 17 th December 2014, resigned 10 August 2015

EXECUTIVES

Bret Ferris	Exploration Manager
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REMUNERATION REPORT – AUDITED

Remuneration of Key Management Personnel for year ended 30 June 2015

Name	Short Term Benefits			Post Employment Benefits		Share-based payment		Total
	Short Term: Salary/Fee \$	Cash bonus \$	Non-monetary benefits \$	Superannuation \$	Long Service Leave \$	Options \$	% of remuneration in options	
Ian Buchhorn	13,467	-	16,533	2,850	-	6,315	16.1%	39,165
Steve Gemell	14,382	-	-	1,366	-	-	-	15,748
Kim Stanton-Cook*	196,126	-	8,594	9,953	-	-	-	214,673
Kenneth John Hellsten	119,117	-	29,700	11,316	1,337	-	-	161,470
Xiaoming Li **	-	-	-	-	-	-	-	-
Jingmin Qian	43,333	-	-	4,117	-	6,315	11.7%	53,765
Xun (Suzanne) Qiu	12,500	-	-	1,188	-	-	-	13,688
Yuanheng Wang	17,500	-	-	-	-	-	-	17,500
Simon Lennon*	162,110	-	-	5,825	-	-	-	167,935
Mark Langan****	38,775	-	-	-	-	-	-	38,775
Bret Ferris ***	184,800	-	-	-	-	-	-	184,800
Total	802,110	-	54,827	36,615	1,337	12,630	-	907,519

None of the Key Management Personnel's remuneration is performance related.

* Kim Stanton-Cook received \$53,812 and Simon Lennon received \$32,780 in termination payments.

** Xiaoming Li is a majority shareholder of HQ Mining Resources Holdings Pty Ltd, one of the shareholders of Golden Cross, and does not receive remuneration from Golden Cross.

*** Bret Ferris the only owner of Ferris Metals Pty Limited, through which he has been remunerated.

**** Mark Langan is an associate of Link Administrative Services through which he has been remunerated.

Shareholdings of Key Management Personnel

Name	Balance 01.07.14* (number)	Received as remuneration (number)	Options exercised (number)	Acquisition/(Disposal) of shares (number)	Balance 30.06.15 (number)
Ian Buchhorn	-	157,457	-	2,300,000	2,457,457
Ken Hellsten	-	451,124	-	-	451,124
Kim Stanton-Cook	180,000	-	-	-	180,000
Xiaoming Li	22,937,033	-	-	750,000	23,687,033
Xun Qiu	20,000	-	-	-	20,000
Total	23,137,033	608,581	-	3,050,000	26,795,614

*Adjusted for 1 for 20 Share Consolidation

Option Holdings of Key Management Personnel

Name	Granted number	Vested number	Grant date	Weighted Average Fair Value per option* (cents)	Exercise Price \$	First exercise date	Last exercise date
Jingmin Qian	250,000	25,000	28.11.14	6.6	0.14	28.11.15	28.11.17
Ian Buchhorn	250,000	25,000	28.11.14	6.6	0.14	28.11.15	28.11.17
Total	500,000	50,000					

During FY2015, Golden Cross Resources Limited issues 500,000 options. Each option can be exercised to receive 1 ordinary share. Of the 50k options vested, none have been exercised. The options vest as follows: 10% on date of grant, a further 30% after 1 year, 60% after 2 years and are fully exercisable 3 years after date of grant.

Remuneration of Key Management Personnel for year ended 30 June 2014

Name	Short Term Benefits			Post Employment Benefits		Share-based payment		Total
	Short Term: Salary/Fee \$	Cash bonus \$	Non-monetary benefits \$	Superannuation \$	Long Service Leave \$	Options \$	% of remuneration in options	
Steve Gemell*	54,860	-	-	4,625	-	-	-	59,485
Kim Stanton-Cook	206,708	-	11,975	19,121	4,838	-	-	242,642
Ian Buchhorn	10,000	-	-	925	-	-	-	10,925
Xiaoming Li **	-	-	-	-	-	-	-	-
Jingmin Qian	30,000	-	-	2,775	-	-	-	32,775
Xun (Suzanne) Qiu	30,000	-	-	2,775	-	-	-	32,775
Simon Lennon	125,840	-	-	11,640	2,673	-	-	140,153
Bret Ferris ***	168,420	-	-	-	-	-	-	168,420
Total	625,828	-	11,975	41,861	7,511	-	-	687,175

None of the Key Management Personnel's remuneration is performance related.

* Steve Gemell is the principal of Gemell Mining Engineers, through which he has been remunerated for consulting services.

** Xiaoming Li is a majority shareholder of HQ Mining Resources Holdings Pty Ltd, one of the shareholders of Golden Cross, and does not receive remuneration.

*** Bret Ferris is the sole shareholder of Ferris Metals Pty Limited, and has been remunerated through this company.

Shareholdings of Key Management Personnel

Name	Balance 01.07.13 (number)	Received as remuneration (number)	Options exercised (number)	Acquisition/(Disposal) of shares (number)	Balance 30.06.14 (number)
Kim Stanton-Cook	1,550,000	-	-	2,050,000	3,600,000
Xiaoming Li	458,740,637	-	-	-	458,740,637
Xun Qiu	200,000	-	-	200,000	400,000
Total	460,490,637	-	-	2,250,000	462,740,637

Key Management Personnel Options outstanding as at 30 June 2014

There were no key management personnel options outstanding as at 30 June 2014

End of Audited Remuneration Report

ANNUAL GENERAL MEETING

The Company's 2015 Annual General Meeting is scheduled to be held at History House, 133 Macquarie Street, Sydney, NSW, at 2 pm on Monday 16 December 2015.

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, or in certain cases, to the nearest dollar, in accordance with that Class Order.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Directors (including meetings of committees of Directors) held during the year ended 30 June 2015, and the numbers of meetings attended by each Director were:

Name	Full Board Meetings Held While a Director	Full Board Meetings Attended	Audit Committee Meetings Held While a Member	Audit Committee Meetings Attended	Remuneration and Nomination Committee Meetings Held While a Member	Remuneration and Nomination Committee Meetings Attended
Steve Gemell	5	5	2	2		
Jingmin Qian	17	17	3	3	1	1
Xiaoming Li	17	-	-	-	-	-
Kim Stanton-Cook	9	9	2	2	1	1
Ken Hellsten	6	6	1	1	-	-
Xun (Suzanne) Qiu	10	4	-	-	-	-
Yuanheng Wang	10	10	-	-	1	1
Ian Buchhorn	17	17	3	3	1	1
Yan Li (Alternate)	17	11	-	-	1	1

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



Jingmin Qian
Interim Chairman

CORPORATE GOVERNANCE STATEMENT

The Company's main corporate governance practices are set out below. These practices are generally in line with the ASX Good Corporate Governance and Best Practice Recommendations ("Recommendations").

THE BOARD OF DIRECTORS

The Board takes ultimate responsibility for corporate governance and operates in accordance with the following principles:

- the Board comprises a minimum of four Directors;
- at least one half of the Board should be Non-executive Directors;
- the Chairman should be an independent Non-executive Director elected by the full Board; and
- the Board should comprise Directors who have a broad range of skills and experience relevant to the business of the Company.

The Board Charter is available on the Company's website: www.goldencross.com.au

The Company did not comply with Recommendation 2.1 during the 2015 reporting period (and acknowledges its error in the 2012 and 2013 annual reports in this regard), which recommends that a majority of the Board should be independent Directors. The Board now complies with this recommendation as at 22 October 2015. None of the non-Executive Directors is a current or former employee of the Company.

Relevant skills and experience of Directors are set out in the Directors' Report and in the Corporate section of the Company's website and these will be supplemented with the appointment of additional independent directors in 2015. Directors' performance is subject to review by the Chairman.

AUDIT COMMITTEE

Since 13 March 2014, the Audit Committee has comprised three Directors: Jingmin Qian, Ian Buchhorn and Yuanheng Wang. Ms Qian remains chairwoman of the Audit Committee. Committee meeting attendances are disclosed in the Directors' Report.

The purpose of the Audit Committee, as set out in the Charter posted on the website, is to:

- review and report to the Board on the Company's annual report and financial statements
- provide assurance to the Board that it is receiving adequate, up to date, reliable information and
- assist the Board in reviewing the effectiveness of the Company's internal control environment covering:
 - effectiveness and efficiency of operations
 - reliability of financial reporting, and
 - compliance with applicable laws and regulations

The Audit Committee is also charged with the responsibility of recommending to the Board the appointment, removal and remuneration of the auditors, and reviewing the terms of their engagement, and the scope and quality of the audit. Details of the procedures for the selection and appointment of the auditors, and for the rotation of the audit engagement partners, are posted on the website.

In fulfilling its responsibilities, the Committee meets with the auditors at least twice each year and receives reports from management and the auditors. The auditors may communicate directly with the Chairman of the Audit Committee and Board. The auditor attends annual general meetings of the Company to answer questions about the audit.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party, and to obtain external legal or other independent professional advice. The Committee also requires the CEO and CFO/Accountant to sign off on the Company's financial reports and the soundness of the Company's risk management and internal compliance and control systems.

The Committee reports to the full Board after each Committee meeting. Audit Committee minutes are provided to all Directors.

REMUNERATION AND NOMINATION COMMITTEE

Until 13 October 2014, the Remuneration and Nomination Committee comprised Steve Gemell, Ian Buchhorn, and Xun (Suzanne) Qiu. Mr Gemell was chairman of the Committee. Since 1st December 2014, the Remuneration and Nomination Committee has comprised Jingmin Qian as Interim Chairman, Ian Buchhorn and Yuanheng Wang.

The Remuneration and Nomination Committee Charter is available on the Company's website. The Committee reports to the full Board after each Committee meeting and Remuneration and Nomination Committee minutes were provided to all Directors.

NOMINATION POLICY

The Company has complied with Recommendation 2.4 since 13 June 2012, by reconstituting the Remuneration Committee as a Remuneration and Nomination Committee. The Company had previously understood itself to be subject to the terms and intent of the subscription agreement between the Company and HQ Mining Resources Holding Pty Ltd dated 22 December 2008 in terms of director nominations, but recognises this right hasn't applied at least since 15 November 2012. The Board's Nomination Policy is posted on the Company's website.

GENDER DIVERSITY

The Company has not complied with Recommendation 3. The board during the reporting period comprised three to five male directors and one to two female directors. At this time, primarily because of the Company's size and emphasis on selecting employees solely on merit, the Company's only formal policy with respect to diversity is to comply with Australian legislation. The Company has (including the interim CEO) four full-time employees, one of whom is female.

RISK MANAGEMENT

The Company has established a Risk Management Policy, which is posted on the Company's website. Management reports regularly to the Board on its management of material business risks.

The Board has received assurance from the CEO and CFO that the declaration for the financial report, provided in accordance with section 295A of the *Corporations Act*, is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

CONTINUOUS DISCLOSURE POLICY

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company and its controlled entities that a reasonable person would expect to have a material effect on the price of the Company's securities. The Company's Continuous Disclosure Policy is posted on the website.

All information disclosed to ASX is immediately posted on the website and emailed to those parties who have supplied their email addresses. When analysts are briefed on aspects of the Company's operations, the material to be used in the presentation is released to ASX and posted on the Company's website.

COMMUNICATIONS POLICY

The Company's Communications Policy is posted on the Company's website.

SECURITIES TRANSACTION RULES

The Company has in place written Securities Transaction Rules. They bind Directors, officers and employees of the Company and prohibit trading in the Company's securities of anyone in possession of price-sensitive information. They may only trade in the Company's securities or securities of the Company's joint venture partners after notifying the Chairman, Managing Director, or Company Secretary respectively of their intentions to trade. The Securities Transaction Rules have been notified to the ASX and are posted on the Company's website.

CORPORATE CONDUCT

The Board has adopted policies on Ethics and the Environment. On 26 June 2014, the Board adopted a new policy on Health, Safety, Environment, and Community replacing the policy on Safety and Health from 10 June 2011. These policies seek to foster high standards of conduct and integrity among employees, officers, and directors. The policies are posted on the Company's website. A full Workplace Policy was adopted in 2015 which is continually updated as additional requirements are recognized.

INDEPENDENT PROFESSIONAL ADVICE

Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. The Company will only meet that expense if they obtain the advice after obtaining the Chairman's prior written approval, which will not be unreasonably withheld.

Consolidated Statement of Financial Position
For the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Other income	5	40	116
Exploration expense	6(a)	(4,102)	(443)
General and administrative expenses	6(b)	(1,281)	(1,133)
Realised loss on sales of AFS investments		-	(16)
Loss before income tax		(5,343)	(1,476)
Income tax benefit	7	-	-
Loss after income tax		(5,343)	(1,476)
Net loss after tax attributable to members of Golden Cross Resources Limited		(5,343)	(1,476)
Other comprehensive income to be reclassified to profit and loss in future periods (unrealised gain/ (loss) on investments)		(2)	(4)
Total comprehensive loss attributable to the members of Golden Cross Resources Limited		(5,345)	(1,480)
Basic loss per share (cents)	8	(5.57)	(1.87)
Diluted loss per share (cents)	8	(5.57)	(1.87)

Consolidated Statement of Financial Position
As at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	9	438	2,442
Other receivables	10(a)	244	273
Prepayments	11	33	35
AFS Investments held for sale	12	-	27
Total Current Assets		715	2,777
Non-Current Assets			
Property, plant and equipment	13(b)	423	449
Exploration and evaluation expenditure	13(a)	11,970	14,801
Other receivable	10(b)	198	445
Total Non-Current Assets		12,591	15,695
Total Assets		13,306	18,472
LIABILITIES			
Current Liabilities			
Payables	14	113	246
Provisions	15	72	166
Total Current Liabilities		185	412
Non-Current Liabilities			
Provisions	16	2	10
Total Non-Current Liabilities		2	10
Total Liabilities		187	422
Net Assets		13,119	18,050
EQUITY			
Issued capital	17	58,214	57,812
Reserves	18	921	911
Accumulated losses		(46,016)	(40,673)
TOTAL EQUITY		13,119	18,050

Consolidated Statement of Cash Flows
For the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,125)	(1,119)
Interest received		39	56
Receipts from farm-in partners		-	-
Other		-	60
Net cash outflow used in operating activities	19	<u>(1,086)</u>	<u>(1,003)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1)	(13)
Payments for exploration and evaluation		(1,752)	(1,257)
Proceeds from sale of Interest in Mulga Tank		275	-
Proceeds from sale of investments		22	436
Refund of security deposit		12	7
Other loans		-	(13)
Repayment of other loan		4	2
Research and development tax refund		184	327
Net cash outflow used investing activities		<u>(1,256)</u>	<u>(511)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		348	2,637
Cost of share issue		(10)	(40)
Net cash inflow from financing activities		<u>338</u>	<u>2,597</u>
NET INCREASE/(DECREASE) IN CASH HELD		(2,004)	1,083
Cash at beginning of the reporting period		<u>2,442</u>	<u>1,359</u>
CASH AT END OF THE REPORTING PERIOD	9	<u>438</u>	<u>2,442</u>

Consolidated Statement of Changes in Equity

For the year ended 30 June 2015

	Issued Capital	Share-based Compensation Reserve	AFS Revaluation Reserve	Accumulated Losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013	55,215	909	6	(39,197)	16,933
Loss for the period	-	-	-	(1,476)	(1,476)
Other comprehensive income	-	-	(4)	-	(4)
Total comprehensive income/(loss) for period	-	-	(4)	(1,476)	(1,480)
Share issues	2,637	-	-	-	2,637
Share issue costs	(40)	-	-	-	(40)
As at 30 June 2014	57,812	909	2	(40,673)	18,050
As at 1 July 2014	57,812	909	2	(40,673)	18,050
Loss for the period	-	-	-	(5,343)	(5,343)
Other comprehensive income	-	-	(2)	-	(2)
Total comprehensive income/(loss) for period	-	-	(2)	(5,343)	(5,345)
Share issues	348	-	-	-	348
Share issue costs	(10)	-	-	-	(10)
Share based payments	-	12	-	-	12
Non Cash share issues	64	-	-	-	64
As at 30 June 2015	58,214	921	-	(46,016)	13,119

1. CORPORATE INFORMATION

The financial report of Golden Cross Resources Limited (the “Company”) for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 27th September 2015.

Golden Cross Resources Limited (the “parent”) is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in the Directors’ Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. It has been prepared on an historical cost basis except for investments in listed shares, which are measured at fair value. The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$’000) unless otherwise stated.

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 full year ended 30 June 2015, the Group reported a net loss of \$5,343,000 (2014: \$1,476,000) and net operating cash outflows of \$1,086,000 (2014: \$1,003,000). The operating cash outflows and investment activities have been funded by cash reserves. As at 30 June 2015, the Group had net current assets of \$715,000 including cash reserves of \$438,000 (30 June 2014: \$2,777,000 including cash reserves of \$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 July 1 totalling \$579,000 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) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

(c) New accounting standards and interpretations

Changes in accounting policy and disclosures

The company has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2014.

The adoption of the following amendments resulted in changes to the accounting policies but did not have any impact on the Financial Statements.

- AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle
- AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle
- AASB 2012-3 Amendments to Australian Accounting Standards - *Offsetting Financial Assets and Financial Liabilities*
- AASB 1031 *Materiality*
- AASB 2013-9 Amendments to Australian Accounting Standards – *Conceptual Framework, Materiality and Financial Instruments*

The adoption of the standards or interpretations has not resulted on any material impact on the company's financial reports. Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2015 reporting period. It is not expected that these new accounting standards will have a material impact on the amounts reported in the group financial statements. Certain disclosures and presentation may change due to new and amended standards.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively, the "Group") as at 30 June each year.

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.

(e) Business combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination income statement. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell) all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of the business combination over the fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. This discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and short-term deposits with an original maturity of less than three months.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts, if any.

(g) Trade and other receivables

Trade and other receivables, which generally have 5-30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(h) Exploration, evaluation, development and restoration costs

Exploration & Evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Exploration & Evaluation – Impairment

The Group assesses at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation cost whether the above carry forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the Income Statement when the above criteria do not apply or when the directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis.

Exploration, evaluation, development and restoration costs

Development

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure

comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured. No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

Restoration

Provisions for restoration costs of drilling sites and other areas disturbed by exploration activities are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Remaining Mine Life

In estimating the remaining life of the mine at each mine property for the purpose of amortisation and depreciation calculations, due regard is given not only to the volume of remaining economically recoverable reserves but also to limitations which could arise from the potential for changes in technology, demand, product substitution and other issues that are inherently difficult to estimate over a lengthy time frame.

(i) Investments

All investments are initially recognised at fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, being the date that the Group commits to purchase the asset. Investments in subsidiaries are held at cost less accumulated provisions for impairment.

(j) Interest in jointly controlled operation

A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A joint operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The Group recognises its interest in the joint operation by recognising its interest in the assets and the liabilities of the joint operation. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint operation.

(k) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- plant and equipment - 4 years; and
- motor vehicles - 5 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(l) Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(m) Pensions and other post-employment benefits

The Group contributes to defined contribution superannuation funds for employees. The cost of these contributions is expensed as incurred.

(n) Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Provisions and employee leave benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(p) Government Grants Accounting Policy

The Company receives government grants through Research and Development (R&D) Tax Incentives on certain exploration activities. Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to expenditure that has been expensed or written off it is recognised as income in the period received. When the grant relates to expenditure incurred that has been deferred it is recognised against the asset balance.

(q) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following recognition criteria must be met before revenue is recognised.

Interest

Revenue is recognised as the interest accrues.

Royalties

Royalties are recognised in accordance with substance of the relevant agreement.

Contract exploration

Contract exploration revenue earned from third parties is recognised when rights to receive the revenue are assured.

(r) Income tax and other taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

Notes to the Financial Statements
For the year ended 30th June 2015 (continued)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(s) Currency

The functional and presentation currency for the Group is Australian dollars (\$) except for the Panama subsidiary where the functional currency is the American Dollar (US\$). Gains and losses due to movements in foreign exchange rates are recorded in the income statement.

(t) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset

Notes to the Financial Statements
For the year ended 30th June 2015 (continued)

is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(u) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, from the proceeds.

(v) Segment reporting

- (i) Identification of reportable segments. The Group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director and the Board of Directors (the Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. The operating segments identified by management are each exploration tenement. The Group operates entirely in the industry of mineral exploration, evaluation and development for different metals and minerals, including copper, gold, silver, coal, and others.
- (ii) Discrete pre-tax financial information, being expenditure incurred year to date and from the start date, about each of these segments is reported to the Chief Operating Decision Makers on a monthly basis.

Accounting policies, segment revenue, and expenses are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis.

All expenses incurred for exploration and evaluation which qualify for capitalisation as described in note 2h are capitalised.

There are no intersegment transactions within the Group's segment.

The segment results include the capitalised allocation of overhead that can be directly attributed to an individual business segment.

The following items and associated assets and liabilities are not allocated to segments as they are not considered part of the core operations of any segment:

- gain and loss on investments held for trading or available for sale;
- gains and losses on the sale of investments;
- finance costs;
- certain general and administration expenses;
- impairment write offs for full value of tenements; and

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's Risk Management Policy sets out the Company's overall risk management framework and policies, including monthly review by the Board of the Company's financial position and financial forecasts, and maintaining adequate insurances.

The Company's cash reserves are held at call with Westpac Banking Corporation and BankWest, in accounts selected to maximise the return of interest.

AASB 7 ("Financial Instruments – Disclosures") requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to AASB 101 ("Presentation of Financial Statements") introduces disclosures about the level of an entity's capital and how it manages capital.

(a) Capital management

The Group considers its capital to comprise its ordinary share capital net of accumulated retained losses, \$12,198,000 (2014: \$17,139,000).

In managing its capital, the Group's primary objective as an explorer is to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. The Group has no debt, hence has a nil gearing ratio.

In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or consideration of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

Notes to the Financial Statements
For the year ended 30th June 2015 (continued)

(b) Principal financial instruments

The principal financial instruments are as follows:

- Cash
- Trade and other receivables
- Investments
- Trade and other payables

The Group does not use derivative financial instruments, and has no off-balance sheet financial assets or liabilities at year-end.

(c) Financial instrument risk exposure and management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. These main risks, arising from the group's financial instruments are interest rate risk, liquidity risk, currency risk, share market risk and credit risk. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(d) General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The Board receives cash flow projections on a monthly basis as well as information regarding cash balances. At the balance sheet date, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

(ii) Interest rate risk

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial asset and financial liability is set out in the following tables:

At balance date, the Group is exposed to floating weighted average interest rates for financial assets of 1.95% on \$200,000 in deposits at call (2014: 2.45%), 2.40% on short term deposit of \$200,000 (2014: 3.40% and 3.50%) and between 2.04% and 3.30% on \$237,990 in security deposits (2014: 2.50% - 3.75%). All other financial assets and liabilities are non-interest bearing.

Notes to the Financial Statements
For the year ended 30th June 2015 (continued)

Year ended 30 June 2015

Year ended 30 June 2015			Fixed interest maturing in:			Non- interest bearing \$'000	Total \$'000
Notes	Floating interest rate \$'000	1 year or less \$'000	over 1 to 5 years \$'000	more than 5 years \$'000			
Financial assets							
Cash	9	200	200	-	-	38	438
Receivables - Current		-	238	-	-	26	264
Receivables Non current	10 (b)	-	-	-	-	198	198
		200	438	-	-	262	900
Weighted average interest rate		1.95%	2.10%				
Financial liabilities							
Payables	14	-	-	-	-	113	113
Net financial assets		200	438	-	-	149	787

Year ended 30 June 2014

Year ended 30 June 2014		Fixed interest maturing in:				Non- interest bearing \$'000	Total \$'000
Notes	Floating interest rate	1 year or less	over 1 to 5 years	more than 5 years			
	\$'000	\$'000	\$'000	\$'000			
Financial assets							
Cash	9	226	2,000	-	-	216	2,442
Receivables - Current		-	247	-	-	26	273
Receivables Non current	10 (b)	-	-	-	-	445	445
		226	2,247	-	-	687	3,160
Weighted average interest rate		2.45%	3.24%				
Financial liabilities							
Payables		-	-	-	-	246	246
Net financial assets		226	2,247	-	-	441	2,914

Risk Exposures and Responses

Judgments of reasonably possible movements:

	Post Tax Loss Lower/(Higher)		Equity Lower/(Higher)	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
+ 1% (100 basis points)	10	15	-	-
- 1% (100 basis points)	(10)	(15)	-	-

(iii) Foreign exchange currency risk

All financial assets and liabilities are denominated in Australian dollars. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere.

The Group is presently expending minimal funds in Panama to obtain an exploration tenement, in which exploration costs are largely denominated in US dollars.

(iv) Share market risk

The Company relies greatly on equity markets to raise capital for its exploration activities, and is thus exposed to equity market volatility. When markets conditions require for prudent capital management, generally in consultation with professional advisers, the Group looks to alternative sources of funding, including the sale of assets and royalties.

The capacity of the company to raise capital from time to time may be influenced by either or both market conditions and the price of the Company's quoted shares at that time.

Notes to the Financial Statements
For the year ended 30th June 2015 (continued)

(v) Credit risk

Credit risk arises principally from the Group's trade receivables. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument.

The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments.

The Group trade only with recognized, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitize its trade and other receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Other receivables

Other receivables comprise GST. Credit worthiness of debtors is undertaken when appropriate.

(vi) Equity price risk

Price risk arises from investments in equity securities. All available for sale equity investments held by the Company are publicly traded on the ASX.

Judgments of reasonably possible movements:

	Post Tax Loss Lower/(Higher)		Equity Lower/(Higher)	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
+ 20%	-	5	-	-
- 20%	-	(5)	-	-

(e) Accounting policies

Accounting policies in relation to financial assets and liabilities and share capital are contained in note 2.

(f) Fair value of financial assets and liabilities.

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. The non-current other receivable was impaired at 30 June 2015 to an amount that approximates fair value, at 30 June 2015 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.

The fair value of all monetary financial assets and financial liabilities of the Company approximate their carrying value.

There are no off-balance sheet financial assets or liabilities at year-end.

All financial assets and liabilities are denominated in Australian dollars.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable, based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Impairment of non-financial assets other than goodwill

The group assesses impairment of all assets (including capitalised exploration costs) at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment.

Notes to the Financial Statements
For the year ended 30th June 2015 (continued)

Carrying values of exploration assets

The Group applies judgments in determining the carrying value of exploration assets in particular in determining which exploration costs should be capitalised or expensed. The Group assesses impairment of such assets at each reporting date by evaluating conditions specific to the Group.

Argent Receivable

The Group applies judgements in assessing the key assumptions for determining the fair value of the receivable, including the estimated date for the decision to mine, and the probability of that decision occurring. Refer to note 10 (b) for further details.

5. OTHER INCOME

	2015	2014
	\$'000	\$'000
Other Income from non-operating activities		
Interest received	39	56
Interest receivable accrued	1	-
Other	-	60
Total other income	40	116

6. GAINS & EXPENSES

	2015	2014
	\$'000	\$'000
(a) Exploration expense		
Capitalised expenditure written off	4,102	443
	4,102	443

(b) General & administrative expenses

Employee entitlements	799	685
Employee entitlements capitalised to Exploration and Evaluation	(386)	(300)
Superannuation contributions	61	64
Superannuation contributions capitalised to Exploration and Evaluation	(35)	(27)
Audit fees	35	39
Depreciation of plant and equipment	27	44
Insurance	37	40
Legal	11	26
Operating lease - rental expense	86	114
Option Issue expense	12	-
Overseas admin expense	15	13
Share Registry Fees	31	25
Stock exchange fees	33	22
Web site and computer maintenance	24	20
Adjustment to non-current receivables	247	-
Other	284	368
	1,281	1,133

7. INCOME TAX

	2015	2014
	\$'000	\$'000
(a) - The components of income tax expense are:		
Current tax	-	-
Deferred tax benefit	-	-
Total tax benefit	-	-

- (i) The Golden Cross Resources Limited group of companies tax consolidated in Australia on 1 July 2007. There are presently no tax sharing or funding agreements in place.
- (ii) The parent entity and each of the subsidiaries are in tax loss for the year and have substantial tax losses carried forward in Australia and Panama.
- (iii) The Directors are of the view that there is insufficient probability that the parent entity and its subsidiaries will derive sufficient income in the foreseeable future to justify booking the tax losses and temporary differences as deferred tax assets.

Notes to the Financial Statements
For the year ended 30th June 2015 (continued)

	2015	2014
	\$'000	\$'000
(b) - Numerical reconciliation of income tax expense to prima facie tax payable is as follows:		
Loss from operations before income tax expense	(5,343)	(1,476)
Tax at statutory tax rate of 30% (2014: 30%)	(1,603)	(443)
Tax effect of non-temporary differences	307	4
Tax effect of equity raising costs debited to equity	(3)	(12)
Tax effect of tax losses and temporary differences not recognised	1,299	451
Income tax expense	-	-

(c) – There is no amount of tax benefit recognised in equity, as the tax effect of temporary differences has not been booked.

	2015	2014
	\$'000	\$'000
Unclaimed value of share issue costs debited to equity	32	40
Tax benefit of unclaimed residuals at 30%	10	12

	2015	2014
	\$'000	\$'000
(d) – Tax Losses – Revenue		
Unused tax losses for which no tax loss has been booked as a deferred tax asset	42,133	39,511
Potential deferred tax benefit at 30%	12,640	10,260
Net deferred tax liability	(1,553)	(1,041)
Net deferred tax asset - not booked	11,087	9,219

The benefit of income tax losses will only be obtained if:

- (i) the respective companies derive future assessable income of a nature and of an amount to enable the benefit from the deductions for the losses to be realised;
- (ii) the respective companies continue to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) No changes in tax legislation adversely affect the respective companies in realising benefit from the deductions from the losses.

	2015	2014
	\$'000	\$'000
(e) –Temporary tax differences		
Accelerated deductions for tax compared to book	(4,506)	(2,694)
Other temporary tax differences	(670)	(778)
Total at 100%	(5,176)	(3,472)
Potential deferred tax liability @ 30%	(1,553)	(1,041)

Notes to the Financial Statements
For the year ended 30th June 2015 (continued)

8. LOSS PER SHARE

	2015	2014
Basic loss per share (cents per share)	(5.57)	(1.87)
Weighted average number of ordinary shares during the year used in the calculation of basic loss per share	98,144,107	78,797,476
Diluted loss per share (cents per share)	(5.57)	(1.87)
	2015	2014
	No of Shares	No of Shares
Weighted average number of ordinary shares during the year used in the calculation of diluted loss per share	98,144,107	78,797,476
	2015	2014
	\$'000	\$'000
Loss used in calculating basic and diluted loss per share	(5,343)	(1,476)

Options

In addition to salaries, the Group has provided benefits to certain employees (including directors) of the Group in the form of the Golden Cross Resources Employee Option Plan re-approved by shareholders at the general meeting of shareholders held in March 2006. The number of employee options on issue at any time must not exceed 5% of the issued capital of the Company at that time. All employees (including directors and consultants) of Golden Cross and its controlled entity are eligible to participate in the plan.

The last options issued under the Employee Option Plan expired on 4 July 2013. None of the options issued under the Employee Option Plan were exercised.

Options granted to employees, including Key Management Personnel, described in the Remuneration Report, are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent they are dilutive. These options have not been considered in the determination of basic earnings per share.

In 2015 the weighted average number of options that were not included in the calculation of loss per share as they are anti-dilutive is 293,151: (2014: 1,479)

9. CASH AND CASH EQUIVALENTS

	2015	2014
	\$'000	\$'000
Cash at bank and on hand	238	217
Deposits	200	2,225
	<u>438</u>	<u>2,442</u>

Note: The deposits are held in short term deposits of 62-90 days for which the interest rates at year-end were 3.43% (2013: 3.63%) and an 11am call account at 2.45% (2013: 2.70%).

10. OTHER RECEIVABLES

(a) Current other receivables

	2015	2014
	\$'000	\$'000
Security deposits	243	254
Other debtors	1	19
	<u>244</u>	<u>273</u>

Security deposits are required by government legislation as a prerequisite to exploration. The cash held in security deposits is not available until leases are relinquished or sold. The deposits are bearing floating interest rates between 2.04% and 3.30% (2014: between 2.50% and 3.75%).

Balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these balances will be received in full.

(b) Non-Current Other receivables

	2015	2014
	\$'000	\$'000
Other Receivable (i)	198	445
	<u>198</u>	<u>445</u>

Notes to the Financial Statements
For the year ended 30th June 2015 (continued)

(i) Kempfield Sale Agreement:

On the 2 May 2011, Golden Cross signed an agreement with Argent Minerals Limited to sell its 30% interest in the Kempfield Joint Venture for a consideration of:

- (a) \$1,000,000 payable in cash received in 2011.
- (b) \$1,000,000 payable in shares of Argent Minerals Limited upon receipt of the necessary consents and approvals by the Minister under the Mining Act (both received in Sept 2011), and received in 2012.
- (c) a deferred portion of \$1,000,000 payable in shares of Argent Minerals Limited upon a decision to mine, estimated at \$250,000 based on the Board's estimate that Argent has a 25% (2014: 50%) chance of deciding to mine within 4 years from the year end date. Using the discount rate at sale date of 6% present value of non-current receivable is \$198,000. (2014: \$445,000) The consideration will be \$1,000,000 in Argent shares using the Argent share price at the date of decision to mine.

The fair value of the non-current receivable is calculated using the method described above however utilising a current discount rate. The difference between the fair value and the carrying value is not significant. The fair value of the non-current receivable is deemed to approximate the carrying value.

11. PREPAYMENTS

	2015	2014
	\$'000	\$'000
Prepaid expenses	33	35
	<u>33</u>	<u>35</u>

12. INVESTMENTS

	2015	2014
	\$'000	\$'000
Investments in listed companies		
Shares in Alkane Resources Limited	-	27
At fair value	<u>-</u>	<u>27</u>

13. EXPLORATION AND EVALUATION EXPENDITURE, MINE PROPERTY, PLANT AND EQUIPMENT

	2015	2014
	\$'000	\$'000
(a) Exploration and Evaluation Expenditure		
<i>Exploration Assets</i>		
Costs brought forward	14,801	14,315
Expenditure incurred during the year	1,546	929
Disposal of Mulga Tank and Mulga East	(275)	-
Expenditure written off during the year (i)	(4,102)	(443)
Costs carried forward	<u>11,970</u>	<u>14,801</u>
Costs incurred on current areas of interest		
- Copper Hill	1,316	611
- Burra	22	284
- Codna Hill	-	43
- Delaney's Tank	-	11
- Cargo	29	(83)
- Pine Ridge	1	4
- Oolgelima Hill	-	(146)
- Rast	3	39
- Other properties	175	166
	<u>1,546</u>	<u>929</u>

(i) Relates to impairment of capitalised exploration expenditure to tenements which are no longer viewed as being economically recoverable.

Details of the economic entity's exploration tenements are disclosed at the back of the Annual Report.

During the period, a 2013-14 R & D refund of \$183,781 was received from the Australian Taxation Office. These monies were written back against the relevant project (Copper Hill \$183,781)

During the period Shango South (\$2k), Guapa Tank (2k), and Rosevale (\$2k) were relinquished. The Mulga Tank Projects held in KER were sold for \$275k. This revenue partly offset the net impairment in these tenements of (\$1,339k) and a further impairment of (\$2,544k) was incurred on other tenements. In addition to this expenditure during the period on a collection of other tenements (\$227k) was expensed as the tenements had all previously been written down to nil in the prior period.

	2015	2014
	\$'000	\$'000
(b) Property, Plant and Equipment		
Cost	901	934
Provision for depreciation	(478)	(485)
Net book value	<u>423</u>	<u>449</u>
Net book value at beginning of year	449	480
Additions	1	13
Depreciation expense	(27)	(44)
Net book value at 30 June	<u>423</u>	<u>449</u>

14. CURRENT LIABILITIES - Payables

	2015	2014
	\$'000	\$'000
Trade payables and other creditors	113	246
	<u>113</u>	<u>246</u>

Trade payables and other creditors are non-interest bearing and are normally settled on 30-day terms.

15. CURRENT LIABILITIES – Provisions

	2015	2014
	\$'000	\$'000
Provision for Annual Leave	31	88
Provision for Long Service Leave	41	78
Total Current Provisions	<u>72</u>	<u>166</u>

Notes to the Financial Statements
For the year ended 30th June 2015 (continued)

16. NON-CURRENT LIABILITIES – Provisions

	2015 \$'000	2014 \$'000
Provision for Long Service Leave	2	-
Provision for Lease Rehabilitation	-	10
Total non-current liabilities – Provisions	<u>2</u>	<u>10</u>

17. CONTRIBUTED EQUITY

	2015 Shares '000	2014 Shares '000	2015 \$'000	2014 \$'000
Issued and paid up:				
Ordinary shares *	<u>101,078</u>	<u>1,889,299</u>	<u>58,214</u>	<u>57,812</u>

Movements in the securities of the Company during the past two years were as follows:

DATE	DETAILS	NO. OF SHARES	ISSUE PRICE CENTS	\$'000
01.07.13	Opening	1,361,900,851		55,215
25.11.13	Rights issue	151,427,961	0.5	757
	Less transaction costs of share issue			(33)
03.03.14	Heron Resources Limited share placement	375,970,579	0.5	1,880
	Less transaction costs of share issue			(7)
30.06.14	Closing Balance	1,889,299,391		57,812
28.08.14	1 for 20 Share Consolidation*	94,490,287		
1.12.14	Issue to Director and Ex directors	307,457	10.5	32
30.4.15	Shareholder Purchase Plan	5,791,949	6	348
3.06.15	Issue to employee	37,676	5.6	2
3.06.15	Issue to employee	451,124	6.6	30
	Less transaction costs of share issue			(10)
30.06.15	Closing Balance	<u>101,078,493</u>		<u>58,214</u>

*The 1 for 20 Share Consolidation was approved by shareholders at the EGM held on 28 August 2014.

Voting Rights

At a general meeting of the Company, every shareholder present in person or by an attorney, representative or proxy has one vote on a show of hands and one vote per ordinary share on a poll.

Options do not carry voting rights.

18. RESERVES

(a) AFS revaluation reserve

	2015 \$'000	2014 \$'000
Opening AFS revaluation reserve	2	6
Net loss on AFS investments	(2)	(4)
Closing AFS revaluation reserve	<u>-</u>	<u>2</u>
Opening share-based compensation reserve	909	909
Share based expense	12	-
Closing share-based compensation reserve	<u>921</u>	<u>909</u>
	<u>921</u>	<u>911</u>

Notes to the Financial Statements
For the year ended 30th June 2015 (continued)

AFS Revaluation reserve

The AFS revaluation reserve is used to record increments and decrements in the fair value of investments held as available for sale.

Share-based compensation reserve

The share-based compensation reserve is used to record the value of share based payments provided to employees as part of their remuneration.

(b) Recognised share-based payment expenses

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

	2015	2014
	\$'000	\$'000
Payments by way of options to directors and employees under Employee Option Plan	13	-
	<u>13</u>	<u>-</u>

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.

19. STATEMENT OF CASH FLOWS RECONCILIATION

	2015	2014
	\$'000	\$'000
Operating loss	(5,343)	(1,463)
Depreciation	27	44
Option Issue expense	13	-
Non-cash share issue	64	-
-Exploration and evaluation expenditure written off	4,102	443
Increase/(Decrease) in receivables and other assets	286	70
Increase/ (Decrease) in creditors	(133)	(87)
Increase/ (Decrease) in other provisions	(102)	(10)
Net cash outflow from operating activities	<u>(1,086)</u>	<u>(1,003)</u>

20. RELATED PARTY DISCLOSURES

Directors

Disclosures relating to Directors are set out in the Remuneration Report, included in the Directors' Report.

Wholly Owned Group

The wholly owned group consists of Golden Cross Resources Limited and its wholly-owned controlled entities, Golden Cross Operations Pty Ltd, King Eagle Resources Pty Ltd and GCR Panama, Inc. Ownership interests in these controlled entities are set out in note 23. Golden Cross Resources Limited is the ultimate parent entity.

Compensation of Key Management Personnel

	2015	2014
	\$'000	\$'000
Short-term employee benefits (Salary/fee)	802	626
Post-employment benefits (Superannuation)	37	42
Non-monetary benefits (shares)	46	-
Other Non-monetary benefits	9	12
Long Service Leave expense	1	7
Option expense	13	-
	<u>908</u>	<u>687</u>

Loans to Key Management Personnel

There were no loans to key management personnel or their related entities during the financial year.

Notes to the Financial Statements
For the year ended 30th June 2015 (continued)

Other transactions and balances with Key Management Personnel and their related parties

There was \$Nil outstanding to related parties at 30 June 2015. (2014: \$475.)

Stephen Gemell, resigned 14th October 2014 was a non-executive director and chairman as well as a shareholder of Argent Minerals Limited, with which Golden Cross has farm-in arrangements in respect of its Sunny Corner and West Wyalong tenements.

Amounts recognised as expenses

	2015 \$	2014 \$
Geological consulting fees	-	4,820
	<u>-</u>	<u>4,820</u>

Aggregate amounts payable to Directors of the Company at 30 June 2015 relating to the above types of other transactions

	2015 \$	2014 \$
Current/Non-current liabilities	<u>-</u>	<u>475</u>

21. COMMITMENTS AND CONTINGENCIES

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

	2015 \$'000	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	45	88
Later than 1 year but not later than 2 years	-	44
Commitments not recognised in the financial statements	<u>45</u>	<u>132</u>

\$45,000 of the commitments relate to the Hornsby Office lease which expires 31st December 2015.

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 and are payable.

	2015 \$'000	2014 \$'000
Not later than one year	579	522
Later than one year but not later than 2 years	<u>226</u>	<u>234</u>
	<u>805</u>	<u>756</u>

If the economic entity decides to relinquish certain leases and/or does not meet these joint venture or annual exploration expenditure obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

22. REMUNERATION OF AUDITORS

	2015 \$'000	2014 \$'000
Remuneration for audit or review of the accounts and consolidated accounts of Golden Cross Resources Limited and its controlled entities	<u>35</u>	<u>39</u>
	<u>35</u>	<u>39</u>

Notes to the Financial Statements
For the year ended 30th June 2015 (continued)

23. PARENT ENTITY INFORMATION

Information relating to Golden Cross Resources Limited:

	2015	2014
	\$'000	\$'000
Current assets	427	2,462
Total assets	12,953	16,466
Current liabilities	37	49
Total liabilities	37	49
Issued capital	58,214	57,812
Accumulated losses	(46,219)	(42,306)
Share-based compensation reserve	921	909
AFS Investment reserve	-	2
Total shareholders' equity	12,916	16,417
Loss of the parent entity	(3,913)	(164)
Total comprehensive profit (loss) of the parent entity	(3,913)	(164)
Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries.	-	-
Details of any contingent liabilities of the parent entity.	-	-
Details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment.	-	-

24. SEGMENT REPORTING

The operating segments are reviewed and managed by Chief Operating Decision Makers 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 13.

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.

2015: OPERATING SEGMENTS	Copper Hill	Rest of Australia	Total
Reconciliation of segment net loss after tax to net loss before tax:			
Gain on Sale of Tenements	-	-	-
Exploration and Evaluation Impairment	-	(4,102)	(4,102)
Total segment net gain/(loss) after tax			(4,102)
Interest Revenue			40
Other Revenue			-
Share Based Payments			(12)
Depreciation			(27)
Other Costs			(1,240)
Realised loss on investments			(2)
Net loss before tax per statement of Comprehensive Income			(5,343)
2014: OPERATING SEGMENTS	Copper Hill	Rest of Australia	Total
Reconciliation of segment net loss after tax to net loss before tax:			
Gain on Sale of Tenements	-	-	-
Exploration and Evaluation Impairment	-	(443)	(443)
Total segment net gain/(loss) after tax			(443)
Interest Revenue			56
Other Revenue			60
Share Based Payments			-
Depreciation			(44)
Other Costs			(1,105)
Realised loss on investments			-
Net loss before tax per statement of Comprehensive Income			(1,476)

Notes to the Financial Statements
For the year ended 30th June 2015 (continued)

30 June 2015

Capitalised Expenditure	11,523	447	-	11,970
Property Plant and Equipment	423	-	-	423
Current and non-current receivables	-	198	-	198
Total	11,946	645	-	12,591

30 June 2014

Capitalised Expenditure	9,759	5,042	-	14,801
Property Plant and Equipment	449	-	-	449
Current and non-current receivables	-	445	-	445
Total	10,208	5,487		15,695

Reconciliation to total assets:

	2015	2014
	\$,000	\$,000
Total assets by reportable assets	12,591	15,695
Cash and cash equivalents	438	2,442
Other receivables	244	273
Prepayments	33	35
Investments	-	27
Total assets per Statement of Financial Position	13,306	18,472

GEOGRAPHICAL SEGMENTS

	2015	2014
	\$'000	\$'000
Non-current assets by geographical location:		
Australia	12,591	15,695
Panama	-	-
Total non-current assets as per Statement of Financial Position	12,591	15,695

25. SUBSEQUENT EVENTS

The Company has put on hold the planned capital raising program to fund the Pre-feasibility Study on the Copper Hill Project as a result of the shareholder meeting called by Mr Buchhorn. It is intended to recommence this program following the shareholder meeting and the subsequent Board meetings where the Directors can agree the form and amount for the capital raising.

On 23 September, the Company announced it had received in excess of \$530,000 in R&D refunds from the Australian tax Office and entered into loan agreements with its major shareholder, HQ Mining Resources Holding Pty Ltd, and Mr Ian James Buchhorn to provide interim funding of \$300,000. The loans are for \$150,000 from each party, interest free and to be repaid within 1 year or when the Company raises in excess of \$500,000. Mr Buchhorn transferred \$150,000 to the Company on 22 September 2015. Fund transfer from HQ Mining is awaited. An Extraordinary General Meeting of shareholders is to be held on 22nd October 2014 at History House, 133 Macquarie St, Sydney to elect 3 additional directors.

DIRECTORS' DECLARATION

The Directors declare that:

In accordance with a resolution of the directors of Golden Cross Resources Limited, 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 consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2.

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2015.

On behalf of the Board




Jingmin Qian

Interim Chairman

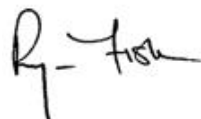
Sydney, 30 September 2015

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

In relation to our audit of the financial report of Golden Cross Resources Limited for the financial year 30 June 2015, 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
30 September 2015

Independent auditor's report to the members of Golden Cross Resources Limited

Report on the financial report

We have audited the accompanying financial report of Golden Cross Resources Limited which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit 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.

Opinion

In our opinion:

- a. the financial report of Golden Cross Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Emphasis of matter

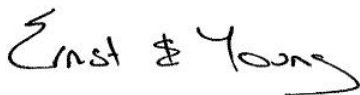
Without qualifying our opinion, we draw attention to Note 2 (a) in the financial report which describes the principal conditions that raise doubt about the entity's ability to continue as a going concern. As a result of these matters, there is significant uncertainty whether the consolidated entity will 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.

Report on the remuneration report

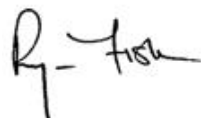
We have audited the Remuneration Report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Golden Cross Resources Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



Ryan Fisk
Partner
Sydney
30 September 2015

INTERESTS IN MINERAL TENEMENTS (As at 30 June 2015)

	TENEMENT NAME	TENEMENT	km ²	HOLDER (2)	% HOLDING	JOINT VENTURER/NOTES
NEW SOUTH WALES						
Broken Hill	Broken Hill JV1, JV2	EL 7390	69	GCO	100 & 13	SCI (3a) & IPT (3b)
Canbelego Group	Burra	EL 7389	15	GCO	100	
	Fairview Tank	EL 7065	52	GCO	100	
	Cargo	EL 5238	46	GCO	100	
Cobar Region	Wagga Tank JV	EL 6695	54	GCO	20	MMG (4)
	Wynwood JV	EL 7226	60	MMG	20	MMG (4)
	Emu Tank	EL 7320	46	GCO	100	
	Kelly's Tank	EL 7323	69	GCO	100	
	Rast North	EL 6879	63	GCO	100	
	Copper Hill	EL 6391	95	GCO	100	
	Kilparney Extended	EL 8270	152	GCO	100	
Molong Rast Group	Rast	EL 6878	29	GCO	100	
	Delaney's Tank	EL 7322	17	GCO	100	
	Burthong Creek	EL 7389	9	GCO	100	
	Four Mile South	EL 7970	3	GCO	100	
	Cullarin JV	EL 7954	146	TRO	78.8	TRO (6)
Southeast Lachlan	Quidong	EL 7989	98	GCO	100	
	Sunny Corner JV	EL 5964	109	GCO	49	ARD (6)
West Wyalong	West Wyalong JV	EL 5915	43	GCO	49	ARD (7)
	Narragudgil JV	EL 8001	69	GCO	49	ARD (7)
QUEENSLAND						
Mount Isa	Quita Creek	EPM 14905	276	KER	20	PPO (8)
	Highland Plains	EPM 14906	300	KER	20	PPO (8)
	Lily & Sherrin Creek	EPM 14912	300	KER	20	PPO (8)
SOUTH AUSTRALIA						
Coober Pedy	Oolgelima Hill	EL 4427	626	GCR	100	
	Giddinna	EL 4695	284	GCR	100	
	Stuart Range	EL 4966	576	GCR	100	
	Codna Hill	EL 4431	281	GCR	100	
PANAMA	El Cope	2007-95	98	GCRP	90	Application; MTI (9)

Notes

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

(2) Full names for abbreviations are as follows:

ARD	Argent Minerals Limited (ASX: ARD)	MTI	MapIntec Technologies Inc.
GCO	Golden Cross Operations Pty Ltd, a wholly owned subsidiary of GCR	PPO	Paradise Phosphate Limited (ASX: PPO), a subsidiary of Legend International Holdings (OTC: LGDI)
GCRP	GCR Panama, Inc, a wholly owned subsidiary of GCR		
IPT	Impact Minerals Limited (ASX: IPT),	SCI	Silver City Minerals Limited (ASX: SCI)
KER	King Eagle Resources Pty Limited, a wholly owned subsidiary of GCR	TRO	TriAusMin Minerals Limited, a wholly-owned subsidiary of Heron Resources Limited (ASX: HRR)
MMG	Minerals and Metals Group Australia, a wholly owned subsidiary of MMG Limited (listed on the Hong Kong Stock Exchange)		

- (3) Silver City Minerals Ltd can earn a 51% interest in gold, silver and base metals, (but excluding nickel and platinum group metals) by spending \$600,000 by 8 October 2016. To earn 80%, SCI must spend another \$500,000 on exploration and development activities in the subsequent two years to 8 October 2018. Impact Minerals Ltd (IPT) earned 80% interest in nickel and platinum group metals. Further expenditure by IPT increased its interest to 87% and diluted GCR interest to 13%. In October 2015 the Company sold its interest to IPT in return for \$60,000 cash and a 1% gross production royalty. IPT may purchase the royalty for \$1.5million.
- (4) Minerals and Metals Group Australia spent \$550,000 by 6 February 2011 to earn 80% interest in the Wagga Tank Joint Venture over EL 6695 and EL 7226. GCO declined an offer to resume management.
- (5) TriAusMin earned an initial 62.5% interest by spending \$200,000 to 13 September 2010. Further expenditure by TRO of \$170,000 to July 2014 increased TRO's interest to 78.9% and diluted GCO's interest to 21.1%.
- (6) Argent Minerals 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.
- (7) Argent Minerals earned 51% in the West Wyalong Joint Venture by spending \$750,000 by 1 June 2011. ARD may earn a further 19% to total 70% by additional expenditure of \$550,000 (for a total expenditure of \$1,300,000) by January 2016. Barrick Gold Corp holds a 2.5% net smelter return.
- (8) Paradise Phosphate Limited (as assignee from Legend International Holdings Inc.) earned its 80% interest (in phosphate minerals only) by spending \$3,000,000 by 7 December 2012, leaving KER with 20% interest. GCR has 100% rights to all other minerals and is free carried to a decision to mine for phosphate.
- (9) MapIntec Technologies Inc., a Panamanian company, has a 10% interest free carried to a decision to mine.

SHAREHOLDER INFORMATION

The shareholder information set out below was correct at 14 October 2015

1. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders are as follows:

HQ Mining Resources Holding Pty Ltd	23,687,033 shares	23.4 %
(includes: shares held by Yu Jin Investment Co Pte Ltd and 450,000 shares held by Business Universe Limited)		
Heron Resources Ltd	19,048,529 shares	18.8 %
Farjoy Pty Ltd and Aspac Mining Pty Ltd	8,931, 598 shares	8.8%

2. RESTRICTED SECURITIES

The Company has no restricted securities on issue.

3. VOTING RIGHTS

One vote for each ordinary share held, in accordance with the Company's constitution.

4. DISTRIBUTION OF SHARES as at 14 October 2015

Holdings Range	Holders	Total Held	%
1-1,000	765	325,707	0.322
1,001-5,000	870	2,440,874	2.415
5,001-10,000	309	2,373,995	2.349
10,001-100,000	459	15,369,872	15.206
100,001-	95	80,568,045	79.708
Totals	2,498	101,078,493	100.000

- a) There were 1,827 holders of less than a marketable parcel of fully paid shares (4,025,329 shares), being less than \$500 worth based on the closing price of 0.6 cents per share on 14 October 2015. They amounted to 101,078,493 shares in total, or 3.98% of the total issued share capital of the Company.
- b) The percentage holding of the twenty largest holders of shares was 65.385%.

6. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest registered holders of shares are listed below, as at 14 October 2015

	Name	No. Held	%
1	HERON RESOURCES LIMITED	19,048,529	18.845
2	H Q MINING RESOURCES HOLDING PTY LTD	16,942,074	16.761
3	YU JIN INVESTMENTS CO PTE LTD	6,044,959	5.980
4	FARJOY PTY LTD	4,653,820	4.604
5	ASPAC MINING LIMITED	4,277,778	4.232
6	DR LEON EUGENE PRETORIUS	3,550,000	3.512
7	OLIVER ROBERT & JULIE ELIZABETH DUPUY	2,437,390	2.411
8	HAZURN PTY LTD (BUCHHORN SUPERANNUATION)	1,250,000	1.237
9	MR DAVID TIMMS	1,221,660	1.209
10	YANDAL INVESTMENTS PTY LIMITED	900,000	0.952
11	JP MORGAN NOMINEES AUSTRALIA LIMITED	709,715	0.702
12	HSBC CUSTODY NOMINEES LIMITED	700,000	0.693
13	MR THANH PHUOC LU & MRS THI ANH TUYET LU	682,161	0.675
14	MR CAMERON JOHN COX & ANITA COX	594,666	0.588
15	MR ANTHONY ESPOSITO & MRS TERESA ESPOSITO	594,604	0.588
16	BANOOK PTY LTD (SUPER FUND)	559,110	0.553
17	NATIONAL NOMINEES LIMITED	512,520	0.507
18	MR KENNETH JOHN HELLSTEN	451,124	0.446
19	KURANA PTY LTD (BUCHHORN UNIT ACCOUNT)	450,000	0.445
20	MR MALCOLM THOMAS PRICE & MRS MAYUMI PRICE	450,000	0.445

6. EMPLOYEE OPTIONS

The last of the unlisted employee options expires on 28 November 2017.