

Golden Cross Resources Ltd
ABN 65 063 075 178

Half-Year Financial Report

31 December 2022

Golden Cross Resources Ltd and its Controlled Entities
For the half-year ended 31 December 2022

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Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Company Particulars

Directors: Jordan Li, MBA, FAusIMM, MAICD
Executive Chairman

Mark Moddejongen, BE Mining
Non-executive Director

Yuanheng Wang, LLB
Non-executive Director

Yan Li, MBA
Non-executive Director

Company Secretary Patrick Sam Yue

Carolyn Jacobs

Principal and Registered Office: Suite 1, Level 3
66 Berry Street
North Sydney NSW 2060
Telephone: +61 2 9922 1266

Share Registry: Automic Group
Level 5, 126 Phillip Street,
Sydney NSW 2000

Auditors: Rothsay Audit & Assurance Pty Ltd
Level 6-10 O'Connell Street
Sydney NSW 2000

Stock Exchange Listing: Securities in Golden Cross Resources Ltd are quoted on the Australian Securities Exchange (Listing code: GCR)

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Directors' Report

The Directors present their report on the consolidated entity consisting of Golden Cross Resources Ltd ("Golden Cross" or the "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

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

Jordan Li	Executive Chairman
Mark Moddejongen	Non-Executive Director
Yuanheng Wang	Non-Executive Director
Yan Li	Non-Executive Director

RESULTS OF OPERATIONS

The consolidated net loss after income tax for the six months to 31 December 2022 was \$687,000 (31 December 2021: \$643,000).

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

Brief descriptions of the completed activities from 1 July 2022 to date are as follows:

During the Half Year from 1 July 2022 work programs were largely disrupted by weather events and resulting extended access restrictions.

At Copper Hill, an updated Mineral Resource Estimate (MRE) was completed; see ASX announcement dated 6 September 2022 "*Substantial Increase Mineral Resource Estimate – Copper Hill*"

The updated MRE was completed at a range of copper or gold cut-off grades within the constraint of an updated optimised reporting pit with a focus on 0.2% copper only cut-offs to facilitate comparisons with previous estimates and also by applying combined cut-off grade criteria that includes gold blocks outside the blocks defined by the copper only cut-off, and not previously reported in 2015.

The 2022 MRE has been subdivided by classification and material type (Table 1 and Table 2).

Table 1: 2022 MRE by Classification
(above either 0.2% Cu or 0.2g/t Au Cut-off Grades, within 2022 Pit Shell)

Class	Mt	%Cu	g/t Au	g/t Ag	% S	SG	Mt Cu	Moz Au	Moz Ag
Measured	58	0.32	0.34	1.5	2.3	2.61	0.19	0.65	2.8
Indicated	74	0.27	0.26	1.3	2.5	2.63	0.20	0.62	3.1
Inferred	58	0.23	0.25	1.1	2.5	2.65	0.14	0.45	2.1
Total	190	0.28	0.28	1.3	2.4	2.63	0.52	1.72	7.9

The 2022 MRE Classification using combined cut-off criteria has 31% Measured, 39% Indicated and 30% Inferred material and includes 176Mt of sulphide mineralisation.

Table 2: 2022 MRE by Oxidation Type
(above either 0.2% Cu or 0.2g/t Au Cut-off Grades, within 2022 Pit Shell)

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Class	Mt	%Cu	g/t Au	g/t Ag	% S	SG	Mt Cu	Moz Au	Moz Ag
Oxide	8.7	0.18	0.28	1.0	0.2	2.23	0.02	0.08	0.3
Transition	5.4	0.30	0.24	1.3	1.1	2.38	0.02	0.04	0.2
Sulphide	176	0.28	0.28	1.3	2.6	2.66	0.49	1.60	7.4
Total	190	0.28	0.28	1.3	2.4	2.63	0.52	1.72	7.9

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

Oxide material in the 2022 MRE is 5% of total MRE tonnes. Copper is depleted by weathering in parts of the oxide zone, leaving residual gold with potential to be treated in a separate extraction process.

Silver estimates have been reported for the first time and with grades that are higher than comparable copper-gold deposits, which are typically around 0.6 to 0.8 g/t silver.

Additional drilling may be required to bring peripheral zones of mineralisation into future resource estimate updates. Potential drilling types are oxide follow-up; resource infill and extensions along strike and down dip; metallurgical sampling; geotechnical sampling; hydrology targets, and satellite deposit targets in the licence areas adjacent to the current Copper Hill resource area.

The ongoing work program is anticipated to provide the supporting information for progression to an update of the previous 2017 Valuation and refresh of feasibility work and Development Consent requirements for a Mining Lease Application at Copper Hill.

Tenement exploration included a further phase of surface geochemical sampling over the central Copper Hill area - see ASX announcement dated 13 July 2022 "*Copper Hill – Geochemistry Surface Sampling Update*". Open zones of elevated soil copper and gold will be followed up with further sampling after planned extensions which are underway in the northern areas of the tenement subject to access approvals.

Other Projects

Other projects in NSW (Burra, KLPX and Quidong) were affected by extended weather events and shortage of personnel. In Queensland the three phosphate tenements were renewed for a new 5 Year Term. Data compilation and review of the historical data continued to evaluate high grade phosphate zones and evaluate the potential for other metals such as uranium and rare earths. Potential for rare earth elements (REE) was highlighted by a research paper published in 2021 that cited recently identified enrichments of rare earth elements in phosphate-rich rocks currently mined for phosphate fertiliser, concluding that "phosphorites are now considered an important potential source for industrial supply of REE into the future".

[Valetich, M & others, 2021. REE enrichment of phosphorite: An example of the Cambrian Georgina Basin of Australia. J. Chemical Geology #588]

In South Australia, land access issues continued to restrain progress and the Company will consider farmout/divestment.

COMPETENT PERSON'S STATEMENT

The information in this report relating to Mineral Resources and Exploration Results is extracted from reports lodged as market announcements to ASX and available to view on the Company's website, www.goldencrossresources.com.au. Further details of exploration results referred to in this report can be found in the following announcements to the ASX:

6 September 2022: "*Substantial Increase Mineral Resource Estimate – Copper Hill*"

13 July 2022: "*Copper Hill – Geochemistry Surface Sampling Update*"

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original ASX market announcements.

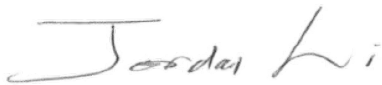
Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration to the Directors as required under Section 307C of the *Corporations Act 2001* is set out on page 7.

Rounding

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in accordance with that Corporations Instrument.

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



Jordan Li
Executive Chairman

Sydney, 15 March 2023

GOLDEN CROSS RESOURCES LIMITED

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead auditor for the review of Golden Cross Resources Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in relation to Golden Cross Resources Limited and the entities it controlled during the half-year.

Rothsay Audit & Assurance Pty Ltd



Graham Webb

Director

Sydney, 15 March 2023

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2022

	Notes	6 months to 31 December 2022 \$'000	6 months to 31 December 2021 \$'000
Other income	3	1	2
Exploration expenditure		(84)	(117)
Depreciation		(21)	(21)
General and administrative expenses	4	(324)	(230)
Finance costs		(259)	(277)
Loss before income tax		(687)	(643)
Income tax benefit		-	-
Loss after income tax		(687)	(643)
Other comprehensive income		-	-
Total comprehensive income for the period		(687)	(643)
Basic loss per share (cents)	5	(0.06)	(0.64)
Diluted loss per share (cents)	5	(0.06)	(0.64)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Consolidated Statement of Financial Position

As at 31 December 2022

	Notes	31 December 2022 \$'000	30 June 2022 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		923	1,492
Other receivables		105	97
Prepayments		7	5
Total Current Assets		1,035	1,594
Non-Current Assets			
Right-of-use asset		36	14
Exploration and evaluation	6	12,741	12,598
Other receivables		54	54
Total Non-Current Assets		12,831	12,666
Total Assets		13,866	14,260
LIABILITIES			
Current Liabilities			
Trade and other payables		87	60
Borrowings	7	7,194	1,805
Provisions		39	44
Lease liabilities		37	15
Total Current Liabilities		7,357	1,924
Non-Current Liabilities			
Borrowings	7	-	5,140
Total Non-Current Liabilities		-	5,140
Total Liabilities		7,357	7,064
NET ASSETS		6,509	7,196
EQUITY			
Issued capital	8	59,675	59,675
Reserves		922	922
Accumulated losses		(54,088)	(53,401)
TOTAL EQUITY		6,509	7,196

The condensed consolidated statement of financial position is to be read in conjunction with the attached notes.

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Consolidated Statement of Changes in Equity For the half-year ended 31 December 2022

	Issued Capital	Share-based compensation reserve	Accumulated Losses	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2021	58,247	922	(52,121)	7,048
Loss after income tax	-	-	(643)	(643)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(643)	(643)
Transactions with owners in their capacity as owners				
Contributions of equity net of transaction costs	57	-	-	57
As at 31 December 2021	58,304	922	(52,764)	6,462
As at 1 July 2022	59,675	922	(53,401)	7,196
Loss after income tax	-	-	(687)	(687)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(687)	(687)
As at 31 December 2022	59,675	922	(54,088)	6,509

The condensed consolidated statement of changes in equity is to be read in conjunction with the attached notes.

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Consolidated Statement of Cash Flows For the half-year ended 31 December 2022

	6 months to 31 December 2022 \$'000	6 months to 31 December 2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(309)	(188)
Interest paid	-	(60)
Other income	1	2
Net cash outflow from operating activities	<u>(308)</u>	<u>(246)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	(227)	(201)
Net cash outflow from investing activities	<u>(227)</u>	<u>(201)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans from related parties	-	1,800
Repayment of related party loans	(10)	(30)
Capital raising costs	-	(132)
Lease payments	(24)	-
Net cash (outflow)/inflow from financing activities	<u>(34)</u>	<u>1,638</u>
Net (decrease)/increase in cash and cash equivalents	(569)	1,191
Cash at beginning of the reporting period	1,492	50
Cash at end of the reporting period	<u>923</u>	<u>1,241</u>

The condensed consolidated statement of cash flows is to be read in conjunction with the attached notes.

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Golden Cross Resources Ltd ("Golden Cross", the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the half-year ended 31 December 2022 comprises the Company and its controlled entities (together referred to as the "Consolidated Entity").

Basis of preparation

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of the Company as at 30 June 2022.

It is also recommended that the half-year financial report be considered together with public announcements made by the Company during the half-year ended 31 December 2022 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

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

The half-year financial report has been prepared on an historical cost basis. The carrying value of financial assets and financial liabilities is materially the same as the fair value. The half-year financial report is presented in Australian dollars.

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in accordance with that Instrument.

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

This consolidated interim financial report was approved by the Board of Directors on 16 March 2023.

Going Concern

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

For the half-year ended 31 December 2022, the Consolidated Entity reported a net loss of \$687,000 (31 December 2021: \$643,000) and net operating cash outflows of \$ 308,000 (31 December 2021: \$246,000). The operating cash outflows and investment activities have been funded by cash reserves.

As at 31 December 2022, the Consolidated Entity had net current liabilities of \$6,322,000 (30 June 2022: \$330,000) and cash reserves of \$923,000 (30 June 2022: \$1,492,000).

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going Concern (continued)

The Consolidated Entity has exploration commitments over the next 12 months from 1 January 2023 totalling \$644,000 per Note 9. The balance of the cash reserves may not be sufficient to meet the Consolidated Entity's exploration activities, commitments, and operating and administrative expenditure for the next 12 months. In addition, the loan payable to Astute Dragon Commercial Limited is due for repayment by 26 April 2023 and the company is seeking an extension as disclosed in Note 7. Notwithstanding the above, the financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. To continue as a going concern, the Consolidated Entity requires additional funding to be secured from sources including but not limited to:

- a further equity capital raising;
- the continued support of current shareholders;
- the ability to successfully develop and extract value from its projects;
- the sale of its interest in exploration projects; and
- the major shareholder HQ Mining Pty Ltd who has issued a letter stating that it would provide financial support up to 31 October 2024.

Having carefully assessed the uncertainties relating to the likelihood of securing additional funding, the Consolidated Entity's ability to effectively manage their expenditures and cash flows from operations and the opportunity to farm out participating interests in existing permits, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

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

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

Basis of consolidation

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

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

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

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

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Notes to the Financial Statements

2. SEGMENT REPORTING

The operating segments are reviewed and managed by the executive team based on the costs incurred for each exploration tenement throughout the reporting period, which are capitalised to operating segment assets. The operating segments identified by the executive team are based on areas of interest. Expenditure incurred and capitalised for the tenement areas are disclosed in Note 6.

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

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

OPERATING SEGMENTS

	Copper Hill \$'000	Rest of Australia \$'000	Total \$'000
31 December 2022			
Exploration and evaluation impairment	-	(84)	(84)
Total segment net loss after tax			(84)
Other revenue			1
Other costs			(345)
Finance costs			(259)
Net loss before tax per statement of Comprehensive Income			(687)
31 December 2021			
Exploration and evaluation impairment	-	(124)	(124)
Total segment net loss after tax			(124)
Other revenue			2
Other costs			(244)
Finance costs			(277)
Net loss before tax per statement of Comprehensive Income			(643)
31 December 2022			
Exploration and evaluation expenditure	12,741	-	12,741
Total	12,741	-	12,741
30 June 2022			
Exploration and evaluation expenditure	12,598	-	12,598
Total	12,598	-	12,598

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Notes to the Financial Statements

3. INCOME

	HALF-YEAR	
	31 December 2022 \$'000	31 December 2021 \$'000
Other Income	1	2
Total Income	1	2

4. GENERAL AND ADMINISTRATIVE EXPENSES

	HALF-YEAR	
	31 December 2022 \$'000	31 December 2021 \$'000
Employee costs	108	72
Directors fees	127	61
Share registry and stock exchange fees	38	35
Insurance and communications	5	24
Audit fees and legal fees	11	10
Other expenses	35	28
Total general and administrative expenses	324	230

5. LOSS PER SHARE

	HALF-YEAR	
	31 December 2022 Cents	31 December 2021 Cents
Basic loss per share	(0.06)	(0.64)
Diluted loss per share	(0.06)	(0.64)

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Notes to the Financial Statements

5. LOSS PER SHARE (CONTINUED)

	HALF-YEAR	
	31 December 2022 No of Shares	31 December 2021 No of Shares
Weighted average number of ordinary shares used as the denominator in calculating basic and dilutive loss per share	1,097,256,110	102,732,339
Weighted average number of ordinary shares and dilutive potential ordinary shares. By reason of the losses recorded in both periods, dilutive potential ordinary shares are not used in calculating diluted loss per share.	1,097,256,110	102,732,339

As at 31 December 2022, the weighted average number of options that were not included in the calculation of loss per share as they are antidilutive: Nil (2021: Nil)

	\$'000	\$'000
Loss used in calculating basic loss per share:	(687)	(643)
Loss used in calculating diluted loss per share:	(687)	(643)

6. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2022 \$'000	30 June 2022 \$'000
<i>Exploration Assets</i>		
Costs brought forward	12,598	12,404
Expenditure incurred during the period	227	356
Deferred exploration expenditure written off*	(84)	(162)
Costs carried forward	12,741	12,598
<i>Costs incurred on current areas of interest</i>		
- Copper Hill	143	194
- Burra	16	14
- Codna Hill	-	-
- Oolgelima Hill	7	17
- Other Properties	61	131
	227	356

* During the financial period a collection of other tenements were written off in full as the licenses have been or are planned to be relinquished or sold.

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Notes to the Financial Statements

7. BORROWINGS

	31 December 2022 \$'000	30 June 2022 \$'000
Current		
Loans from third parties	1,874	1,795
Loans from directors	-	10
Loans from related party	5,320	-
	<u>7,194</u>	<u>1,805</u>
Non-current		
Loans from related party	-	5,140
	<u>7,194</u>	<u>6,945</u>

The Company has commitments for 13 loan agreements with a related party:

- (1) HQ Mining Resources Holding Pty Ltd ("HQM") and the Company entered into a loan agreement on 22 September 2015 for the amount of \$150,000 for a term of 12 months at 0% interest, repayable after the earlier of the Company raising \$500,000 through the issue of shares or at the first anniversary date of the loan. On 22 September 2016, the loan was charged with an interest rate of 9.75% per annum. On 26 January 2022, the repayment date of the existing HQM loan has been extended to 31 October 2023. The balance of the loan at 31 December 2022 includes \$61,797 in capitalised interest.
- (2) HQM and the Company entered into a loan agreement on 4 February 2016 for the amount of \$320,000 deliverable in 3 tranches at 9.75% interest, repayable at the earlier of the company raising \$1,500,000 through the issue of shares or at the first anniversary date of the loan. On 26 January 2022, the repayment date of the existing HQM loan has been extended to 31 October 2023. The balance of the loan at 31 December 2022 includes \$209,685 in capitalised interest.
- (3) HQM and the Company entered into a loan agreement on 4 August 2016 for the amount of \$200,000 deliverable in 3 tranches at 9.75% interest, repayable after the earlier of the company raising \$2,000,000 through the issue of shares or at the first anniversary date of the loan. On 26 January 2022, the repayment date of the existing HQM loan has been extended to 31 October 2023. The balance of the loan at 31 December 2022 includes \$121,592 in capitalised interest.
- (4) HQM and the Company entered into a loan agreement on 11 September 2017 for the amount of \$400,000 deliverable in 5 tranches at 9.75% interest, repayable after the earlier of the company raising \$2,000,000 through the issue of shares or at the first anniversary date of the loan. On 26 January 2022, the repayment date of the existing HQM loan has been extended to 31 October 2023. The balance of the loan at 31 December 2022 includes \$220,163 in capitalised interest.
- (5) HQM and the Company entered into a loan agreement on 11 September 2017 for the amount of \$50,000 deliverable in 1 tranche at 9.75% interest, repayable after the earlier of the company raising \$2,000,000 through the issue of shares or at the first anniversary date of the loan. On 26 January 2022, the repayment date of the existing HQM loan has been extended to 31 October 2023. The balance of the loan at 31 December 2022 includes \$26,659 in capitalised interest.

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Notes to the Financial Statements

7. BORROWINGS (CONTINUED)

- (6) HQM and the Company entered into a loan agreement on 31 October 2017 for the amount of \$800,000 deliverable in 5 tranches at 9.75% interest, repayable after the earlier of the company raising \$2,000,000 through the issue of shares or at the first anniversary of the first tranche payment of the loan. On 26 January 2022, the repayment date of the existing HQM loan has been extended to 31 October 2023. The balance of the loan at 31 December 2022 includes \$403,650 in capitalised interest.
- (7) HQM and the Company entered into a loan agreement on 13 April 2018 for the amount of \$800,000 deliverable in 4 tranches at 9.75% interest, repayable after the earlier of the company raising \$3,000,000 through the issue of shares or at the first anniversary of the first tranche payment of the loan. On 26 January 2022, the repayment date of the existing HQM loan has been extended to 31 October 2023. The balance of the loan at 31 December 2022 includes \$335,725 in capitalised interest.
- (8) HQM and the Company entered into a loan agreement on 16 July 2019 for the amount of \$100,000 deliverable in 3 tranches at 9.75% interest, repayable after the earlier of the company raising \$3,000,000 through the issue of shares or by 31 July 2022. On 26 January 2022, the repayment date of the existing HQM loan has been extended to 31 October 2023. The balance of the loan at 31 December 2022 includes \$35,015 in capitalised interest.
- (9) HQM and the Company entered into a loan agreement on 20 July 2020 for the amount of \$220,000 deliverable in 7 tranches at 9.75% interest, repayable after the earlier of the company raising \$4,000,000 through the issue of shares or by 31 July 2022. On 26 January 2022, the repayment date of the existing HQM loan has been extended to 31 October 2023. The balance of the loan at 31 December 2022 includes \$71,106 in capitalised interest.
- (10) HQM and the Company entered into a loan agreement on 20 July 2020 for the amount of \$240,000 deliverable in 3 tranches at 9.75% interest, repayable after the earlier of the company raising \$4,000,000 through the issue of shares or by 31 July 2022. On 26 January 2022, the repayment date of the existing HQM loan has been extended to 31 October 2023. The balance of the loan at 31 December 2022 includes \$71,140 in capitalised interest.
- (11) HQM and the Company entered into a loan agreement on 20 July 2020 for the amount of \$240,000 deliverable in 4 tranches at 9.75% interest, repayable after the earlier of the company raising \$4,000,000 through the issue of shares or by 31 July 2022. On 26 January 2022, the repayment date of the existing HQM loan has been extended to 31 October 2023. The balance of the loan at 31 December 2022 includes \$63,515 in capitalised interest.
- (12) HQM and the Company entered into a loan agreement on 28 July 2021 for the amount of \$100,000 deliverable in 2 tranches at 9% interest, repayable after the earlier of the Company raising \$4,000,000 through the issue of shares or at the first anniversary of the first tranche payment of the loan. On 26 January 2022, the repayment date of the existing HQM loan has been extended to 31 October 2023. The balance of the loan at 31 December 2022 includes \$22,006 in capitalised interest.
- (13) HQM and the Company entered into a loan agreement on 28 July 2021 for the amount of \$50,000 deliverable in 2 tranches at 9% interest, repayable after the earlier of the Company raising \$4,000,000 through the issue of shares or at the first anniversary of the first tranche payment of the loan. On 26 January 2022, the repayment date of the existing HQM loan has been extended to 31 October 2023. The balance of the loan at 31 December 2022 includes \$8,199 in capitalised interest.

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Notes to the Financial Statements

7. BORROWINGS

Third parties

On 28 July 2021, the Company received a \$1.8 million loan from Astute Dragon Commercial Limited ("Astute"). The loan is unsecured, interest bearing at 9.5% per annum and is repayable on the earlier of 26 April 2023 and the date that the Company has raised in aggregate \$4,000,000 from the issue of securities since execution of the loan agreement. The balance of the loan at 31 December 2022 includes \$224,174 in capitalised interest. The Company is seeking an extension of the repayment date of the loan. In the event that Astute does not consent to an extension, the Company will rely on the letter of financial support from HQM.

8. ISSUED CAPITAL

	31 December 2022 Shares	30 June 2022 Shares	31 December 2022 \$'000	30 June 2022 \$'000
Opening balance	1,097,256,110	101,622,228	59,675	58,247
Repayment of MPS loans	-	3,048,666	-	189
Issuance of new shares	-	5,054,717	-	1,516
Capital raising costs	-	-	-	(277)
1 to 10 shares split*	-	987,530,499	-	-
Closing balance	1,097,256,110	1,097,256,110	59,675	59,675

* A 1 to 10 split of securities was approved by shareholders at the General Meeting held on 21 June 2022.

9. COMMITMENTS

	31 December 2022 \$'000	30 June 2022 \$'000
Exploration Commitments		
In order to maintain current rights of tenure to exploration tenements, the economic entity has the following discretionary exploration expenditure requirements up until expiry of the leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements, exclude commitments on tenements farmed out and are payable.		
Not later than 1 year	644	436
Later than 1 year but not later than 5 years	1,489	1,139
Later than 5 years	-	-
	<u>2,133</u>	<u>1,575</u>

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

Notes to the Financial Statements

10. SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2022

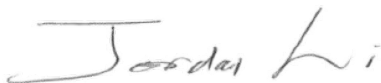
Directors' Declaration

For the half-year ended 31 December 2022

In the Directors' opinion:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2022 and of its performance for the half year ended on that date of the Consolidated Entity; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Jordan Li
Chairman

Sydney, 15 March 2023

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
GOLDEN CROSS RESOURCES LIMITED**

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year consolidated financial report of Golden Cross Resources Limited ("the Company") and the entities it controlled ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

GOLDEN CROSS RESOURCES LIMITED

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the group incurred a net loss of \$687,000 for the half year and the Group's current liabilities exceeded its current assets by \$6,322,000. As stated in Note 1, these events or conditions along with other matters as set forth in Note 1 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the consolidated half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Rothsay Audit & Assurance Pty Ltd.

Graham Webb
Director

Sydney, 15 March 2023