

Golden Cross Resources Ltd
ABN 65 063 075 178

Half-Year Financial Report

31 December 2023

Golden Cross Resources Ltd and its Controlled Entities
For the half-year ended 31 December 2023

Contents

	Page No.
Company Particulars	3
Directors' Report	4
Auditor's Independence Declaration	7
Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	21
Independent Auditor's Review Report to the Members	22

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2023

Company Particulars

Directors:

Jordan Li, MBA, FAusIMM, MAICD
Executive Chairman

Yuanheng Wang, LLB
Non-executive Director

Yan Li, MBA
Non-executive Director

Kevin Zei Lung Lee
Non-executive Director

Boris Patkin
Non-executive Director

Company Secretaries

Patrick Sam Yue

Carolyn Jacobs

Principal and Registered Office:

Unit 401, Level 4,
781 Pacific Highway,
Chatswood, NSW 2067
Telephone: +61 2 8379 5705

Share Registry:

Automic Group
Level 5, 126 Phillip Street,
Sydney NSW 2000

Auditors:

InCorp Audit & Assurance Pty Ltd (formerly known as
Rothsay Audit & Assurance Pty Ltd)
Level 1/6 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 2023

Directors' Report

The Directors present their report on the consolidated entity consisting of Golden Cross Resources Ltd ("Golden Cross", "GCR" or the "Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

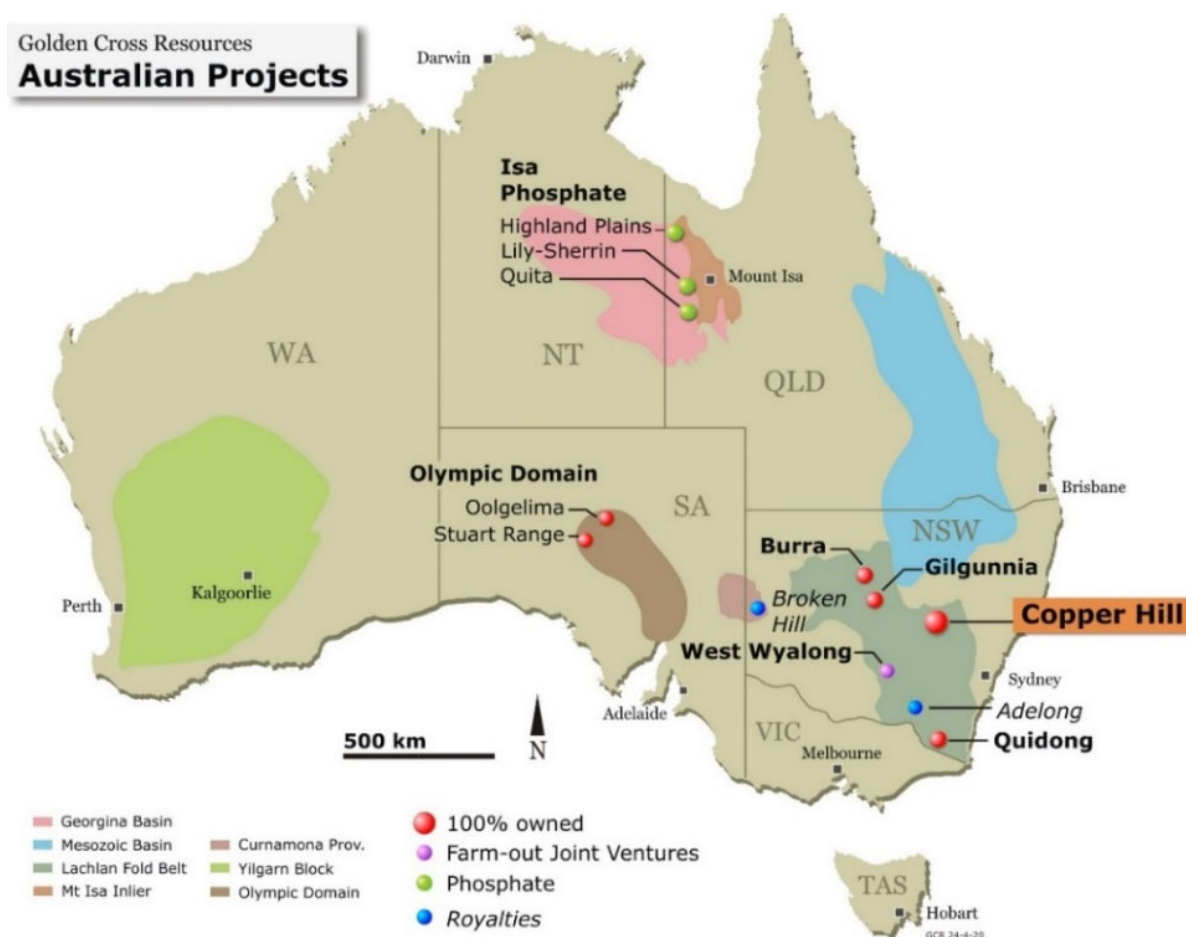
The following people were Directors of the Company during the whole of the half-year and up to the date of this report, unless otherwise stated:

Jordan Li	Executive Chairman	
Yuanheng Wang	Non-Executive Director	
Yan Li	Non-Executive Director	
Kevin Zei Lung Lee	Non-Executive Director	
Boris Patkin	Non-Executive Director	(Appointed 6 February 2024)
Mark Moddejongen	Non-Executive Director	(Resigned 6 February 2024)

Results and Review of Operations

The consolidated net loss after income tax for the six months to 31 December 2023 was \$633,000 (31 December 2022: \$687,000).

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



Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2023

GCR portfolio of projects is diversified both by commodity and by geological province (**Figure 1**). It includes projects located in well-established mineral provinces where prospectivity is underlined by significant operating mines, known mineral deposits and high levels of current exploration activities:

- ❖ Palaeozoic Lachlan Fold Belt in New South Wales (NSW):
 - Macquarie Arc Ordovician Porphyry Province – Copper/Gold;
 - Silurian VMS (volcanic-associated massive sulphide) Province – Zinc/Copper/Gold;
 - Cobar Region – Base Metals/Gold;
- ❖ South Australian Gawler Craton – Iron Oxide/Copper/Gold/Rare Earths (IOCG);
- ❖ Northwest Queensland – Phosphate/Uranium/Rare Earths.

COPPER HILL – NEW SOUTH WALES

EL 6391 (100% interest)

During the half year, exploration activities included the following:

- further evaluation of the Mineral Resource Estimate including review of applying cutoff criteria used in similar deposits to better facilitate comparisons;
- planning for infill and extension soil geochemical sampling and further geophysical surveys over areas surrounding Copper Hill; and
- determining requirements for pre-development feasibility studies, and design / budgeting of work programs to conform with the regulatory framework for a future development application.

The proposed feasibility component activities will include the following:

- drilling for a range of purposes (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 Copper Hill itself);
- metallurgical test work and evaluation of processing technologies;
- mining and engineering studies and costing updates;
- environmental studies and baseline data;
- water supply sources and usage;
- land tenure and ownership; and
- development permit procedures at state and local government levels.

During the half year, initial planning of drilling required for the following purposes continued:

- conversion of inferred and indicated resources to higher classifications;
- infill of exploration target material to facilitate inclusion into future resource upgrades; and
- testing of deeper targets down the interpreted plunge from mineralised intercepts at approximately 350 metres below surface.

Surface Geochemistry

- Infill and extension sampling of surface soils is based on an MGA grid pattern [MGA Zone55 GDA94] over areas of EL6391 where some previous generations of sampling have been analysed by differing techniques, and for a limited number of elements or over restricted target areas, leaving significant gaps in the multi-element coverage of the prospective areas.
- Further phases of sampling are planned as update land access requirements are finalised.

Surface Geophysics

- Planning for sufficient station spacing for workable gravity dataset was undertaken with geophysical contractors. Other geophysical techniques being investigated for EL6391 include magnetotellurics following a review of regional spaced government surveys.

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2023

The ongoing work program at Copper Hill is oriented towards provision of the supporting information for a Mining Lease Application and associated Development Consent requirements.

COBAR REGION – NEW SOUTH WALES

EL 7389 and EL 8270 (100% interest)

EL8270 has been renewed for a further two years to 6 May 2025 effective 13 July 2023, approving the Company's proposed program of infill gravity surveys.

ISA PHOSPHATE – QUEENSLAND

EPM 14905, EPM 14906 and EPM 14912 (100% interest)

During the half year the Company continues to seek previous drilling samples to facilitate early analysis for rare earths. Compilation and review of the historical data continued to evaluate high grade phosphate zones and evaluate the potential for other metals.

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 2024

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

To the directors of Golden Cross Resources Ltd:

As lead auditor of Golden Cross Resources Ltd for the half-year ended 31 December 2023, 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.

In.Corp Audit & Assurance Pty Ltd



Graham Webb
Director

Sydney, 15 March 2024

In.Corp Audit & Assurance Pty Ltd
ABN 14 129 769 151

Level 1
6-10 O'Connell Street
SYDNEY NSW 2000

Suite 11, Level 1
4 Ventnor Avenue
WEST PERTH WA 6005

GPO BOX 542
SYDNEY NSW 2001

T +61 2 8999 1199
E team@incorpadvisory.au
W incorpadvisory.au

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	Notes	6 months to 31 December 2023 \$'000	6 months to 31 December 2022 \$'000
Other income	3	-	1
Exploration expenditure		(39)	(84)
Depreciation		(14)	(21)
General and administrative expenses	4	(326)	(324)
Finance costs		(254)	(259)
Loss before income tax		(633)	(687)
Income tax benefit		-	-
Loss after income tax		(633)	(687)
Other comprehensive income		-	-
Total comprehensive income for the period		(633)	(687)
Basic loss per share (cents)	5	(0.06)	(0.06)
Diluted loss per share (cents)	5	(0.06)	(0.06)

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 2023

Consolidated Statement of Financial Position As at 31 December 2023

	Notes	31 December 2023 \$'000	30 June 2023 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		3	56
Other receivables		129	92
Prepayments		8	5
Total Current Assets		140	153
Non-Current Assets			
Right-of-use asset		-	14
Exploration and evaluation	6	12,904	12,829
Other receivables		23	54
Total Non-Current Assets		12,927	12,897
Total Assets		13,067	13,050
LIABILITIES			
Current Liabilities			
Trade and other payables		198	59
Provisions		44	41
Lease liabilities		-	16
Total Current Liabilities		242	116
Non-Current Liabilities			
Borrowings	7	7,520	6,996
Total Non-Current Liabilities		7,520	6,996
Total Liabilities		7,762	7,112
NET ASSETS		5,305	5,938
EQUITY			
Issued capital	8	59,675	59,675
Reserves		922	922
Accumulated losses		(55,292)	(54,659)
TOTAL EQUITY		5,305	5,938

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 2023

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

	Issued capital	Share-based compensation reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000
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
As at 1 July 2023	59,675	922	(54,659)	5,938
Loss after income tax	-	-	(633)	(633)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(633)	(633)
As at 31 December 2023	59,675	922	(55,292)	5,305

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 2023

Consolidated Statement of Cash Flows For the half-year ended 31 December 2023

	6 months to 31 December 2023 \$'000	6 months to 31 December 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(193)	(309)
Other income	-	1
Net cash outflow from operating activities	<u>(193)</u>	<u>(308)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	(114)	(227)
Net cash outflow from investing activities	<u>(114)</u>	<u>(227)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from third party loans	270	-
Repayment of related party loans	-	(10)
Lease payments	(16)	(24)
Net cash (outflow)/inflow from financing activities	<u>254</u>	<u>(34)</u>
Net decrease in cash and cash equivalents	(53)	(569)
Cash at beginning of the reporting period	56	1,492
Cash at end of the reporting period	<u>3</u>	<u>923</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 2023

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 2023 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 2023.

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 2023 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 15 March 2024.

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 2023, the Consolidated Entity reported a net loss of \$633,000 (31 December 2022: \$687,000) and net operating cash outflows of \$193,000 (31 December 2022: \$308,000). The operating cash outflows and investment activities have been funded by cash reserves and borrowings.

As at 31 December 2023, the Consolidated Entity had net current liabilities of \$102,000 (30 June 2023: net current assets of \$37,000) and cash reserves of \$3,000 (30 June 2023: \$56,000).

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2023

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 2024 totalling \$789,000 per Note 9, which the Consolidated Entity will negotiate, with the related state government, an extension of time to conduct the activities. with the relevant State Governments.

The Consolidated Entity is planning exploration activities on its licences and has budgeted for those amounts that the financial position of the Consolidated Entity allows. Consistent with the nature of the Consolidated Entity's activities, it will require funding which may be by farmout of interest in exploration licences, borrowings or new equity capital.

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:

- new equity and/or loan capital raising;
- the continued support of the controlling shareholder HQ Mining Resources Holding Pty Ltd under its undrawn loan facility of \$500,000 that matures on 1 June 2026 and loans drawn totalling \$5.497 million maturing on 31 October 2025;
- the sale of its interest in exploration projects; and
- the ability to successfully develop and extract value from its projects.

Having carefully assessed the uncertainties relating to the likelihood of securing additional funding, the Consolidated Entity's ability to effectively manage their expenditures and cash flows from operations and the opportunity to farm out participating interests in existing permits, the Directors believe that the Consolidated Entity will continue 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 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.

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2023

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 2023			
Exploration and evaluation impairment	-	(39)	(39)
Total segment net loss after tax	-	-	(39)
Other costs	-	-	(340)
Finance costs	-	-	(254)
Net loss before tax per statement of Comprehensive Income			(633)
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 2023			
Exploration and evaluation expenditure	12,904	-	12,904
Property, plant and equipment	-	-	-
Total	12,904	-	12,904
30 June 2023			
Exploration and evaluation expenditure	12,829	-	12,829
Property, plant and equipment	-	-	-
Total	12,829	-	12,829

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2023

Notes to the Financial Statements

3. INCOME

	HALF-YEAR	
	31 December 2023 \$'000	31 December 2022 \$'000
Other Income	-	1
Total Income	-	1

4. GENERAL AND ADMINISTRATIVE EXPENSES

	HALF-YEAR	
	31 December 2023 \$'000	31 December 2022 \$'000
Employee costs	103	108
Directors' fees	138	127
Share registry and stock exchange fees	28	38
Insurance and communications	-	5
Audit fees and legal fees	11	11
Other expenses	46	35
Total general and administrative expenses	326	324

5. LOSS PER SHARE

	HALF-YEAR	
	31 December 2023 Cents	31 December 2022 Cents
Basic loss per share	(0.06)	(0.06)
Diluted loss per share	(0.06)	(0.06)

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2023

Notes to the Financial Statements

5. LOSS PER SHARE (CONTINUED)

	HALF-YEAR	
	31 December 2023 No of Shares	31 December 2022 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	1,097,256,110
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	1,097,256,110

As at 31 December 2023, the weighted average number of options that were not included in the calculation of loss per share as they are antidilutive: Nil (2022: Nil)

	\$'000	\$'000
Loss used in calculating basic loss per share:	(633)	(687)
Loss used in calculating diluted loss per share:	(633)	(687)

6. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2023 \$'000	30 June 2023 \$'000
<i>Exploration Assets</i>		
Costs brought forward	12,829	12,598
Expenditure incurred during the period	114	358
Deferred exploration expenditure written off*	(39)	(127)
Costs carried forward	12,904	12,829

* During the financial period licences that have been or are planned to be relinquished or disposed of are written off in full..

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2023

Notes to the Financial Statements

7. BORROWINGS

	31 December 2023 \$'000	30 June 2023 \$'000
Non-current		
Loans from third parties	1,843	1,499
Loans from related party	5,677	5,497
	<u>7,520</u>	<u>6,996</u>

At 31 December 2023 the Company has the loan agreements with the following parties:

Related parties HQ Mining Resources Holding Pty Ltd ("HQM") – unsecured loans

- 1) 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. In September 2023, the repayment date of the existing HQM loan was extended from 31 October 2023 to 31 October 2025 and the balance of the loan at 31 December 2023 includes \$76,422 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. In September 2023, the repayment date of the existing HQM loan was extended from 31 October 2023 to 31 October 2025 and the balance of the loan at 31 December 2023 includes \$240,800 in capitalised interest.
- 3) HQM and the Company entered into a loan agreement on 17 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. In September 2023, the repayment date of the existing HQM loan was extended from 31 October 2023 to 31 October 2025 and the balance of the loan at 31 December 2023 includes \$141,092 in capitalised interest.
- 4) HQM and the Company entered into a loan agreement on 8 March 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. In September 2023, the repayment date of the existing HQM loan was extended from 31 October 2023 to 31 October 2025 and the balance of the loan at 31 December 2023 includes \$259,163 in capitalised interest.
- 5) HQM and the Company entered into a loan agreement on 14 July 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. In September 2023, the repayment date of the existing HQM loan was extended from 31 October 2023 to 31 October 2025 and the balance of the loan at 31 December 2023 includes \$31,534 in capitalised interest.

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2023

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. In September 2023, the repayment date of the existing HQM loan was extended from 31 October 2023 to 31 October 2025 and the balance of the loan at 31 December 2023 includes \$481,650 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. In September 2023, the repayment date of the existing HQM loan was extended from 31 October 2023 to 31 October 2025 and the balance of the loan at 31 December 2023 includes interest of \$413,725.
- 8) HQM and the Company entered into a loan agreement on 28 April 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 2023. In September 2023, the repayment date of the existing HQM loan was extended from 31 October 2023 to 31 October 2025 and the balance of the loan at 31 December 2023 includes \$44,765 in capitalised interest.
- 9) HQM and the Company entered into a loan agreement on 24 July 2019 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 2023. In September 2023, the repayment date of the existing HQM loan was extended from 31 October 2023 to 31 October 2025 and the balance of the loan at 31 December 2023 includes interest of \$92,550.
- 10) HQM and the Company entered into a loan agreement on 24 July 2019 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 2023. In September 2023, the repayment date of the existing HQM loan was extended from 31 October 2023 to 31 October 2025 and balance of the loan at 31 December 2023 includes \$94,540 in capitalised interest.
- 11) HQM and the Company entered into a loan agreement on 24 July 2019 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 2023. In September 2023, the repayment date of the existing HQM loan was extended from 31 October 2023 to 31 October 2025 and the balance of the loan at 31 December 2023 includes \$86,915 in capitalised interest.
- 12) HQM and the Company entered into a loan agreement on 27 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. In September 2023, the repayment date of the existing HQM loan was extended from 31 October 2023 to 31 October 2025 and the balance of the loan at 31 December 2023 includes \$29,959 in capitalised interest.

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2023

Notes to the Financial Statements

7. BORROWINGS (CONTINUED)

- 13) HQM and the Company entered into a loan agreement on 27 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. In September 2023, the repayment date of the existing HQM loan was extended from 31 October 2023 to 31 October 2025 and the balance of the loan at 31 December 2023 includes \$12,782 in capitalised interest.
- 14) On 27 June 2023, a further \$500,000 loan agreement was executed between HQM and the Company. At balance date, no funds have been drawn down under this agreement. The facility expires on 1 June 2026.

Third parties

1) On 28 July 2021, the Company received a \$1.8 million loan from Astute Dragon Commercial Limited ("Astute") of which \$450,000 was repaid as at 30 June 2023. The loan is unsecured and interest bearing at 9.5% per annum. On 26 September 2023, Astute agreed to extend the repayment date to 26 April 2025 and the balance of the loan at 31 December 2023 includes \$99,357 in capitalised interest.

2) On 18 July 2023, the Company entered into a new loan facility agreement with Astute in the amount of \$450,000 repayable on 20 January 2025 or when the Company has raised in aggregate \$8 million by issue of new securities. The loan is unsecured and interest bearing at 4.5% per annum. The Company has drawn a total amount of \$270,000 under this loan during the half-year ended 31 December 2023..

8. ISSUED CAPITAL

	31 December 2023 Shares	30 June 2023 Shares	31 December 2023 \$'000	30 June 2023 \$'000
Issued and paid up				
Ordinary shares	1,097,256,110	1,097,256,110	59,675	59,675

9. COMMITMENTS

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.

Golden Cross Resources Ltd and its Controlled Entities

For the half-year ended 31 December 2023

	31 December 2023	30 June 2023
Not later than 1 year	829	485
Later than 1 year but not later than 5 years	644	450
Later than 5 years	-	-
	<u>1,473</u>	<u>935</u>

10. SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2023 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 2023


Directors' Declaration

For the half-year ended 31 December 2023

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 2023 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 2024

GOLDEN CROSS RESOURCES LIMITED INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Golden Cross Resources Ltd

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 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 2023 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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.

In.Corp Audit & Assurance Pty Ltd
ABN 14 129 769 151

Level 1
6-10 O'Connell Street
SYDNEY NSW 2000

Suite 11, Level 1
4 Ventnor Avenue
WEST PERTH WA 6005

GPO BOX 542
SYDNEY NSW 2001

T +61 2 8999 1199
E team@incorpadvisory.au
W incorpadvisory.au

GOLDEN CROSS RESOURCES LTD

INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

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 \$633,000 for the half year and as at that date the Group's current liabilities exceeded its current assets by \$102,000. 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.

Responsibility of the Directors for the Half-Year Financial Report

The directors of the Group 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 for the Review of the Financial Report

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 2023 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.

In.Corp Audit & Assurance Pty Ltd



Graham Webb
Director

Sydney, 15 March 2024