GOLDEN CROSS RESOURCES LTD
ABN 65 063 075 178

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30 April 2020

MARCH 2020

QUARTERLY ACTIVITIES & CASHFLOW REPORT

Majority shareholder HQ Mining Resources Holding Pty Ltd (HQ Mining) and its associates (76.46%) continued to provide funding support for the Company's operations during the Quarter. The Company continued discussions with HQ Mining regarding funding of future work programs, principally completion of Pre-feasibility Studies at the Copper Hill Project.

During the December 2019 Quarter, the Company's operating costs were funded by sale of non-core assets and by provision of a further total of $220,000 from HQ Mining as part of ongoing funding facilities agreed to support the Company's operational requirements and exploration commitments.

On 16 August 2019 the Company's shares were suspended from trading on the ASX following resignation of previous Chairman. New Chairman Jordan G Li was appointed on 15 January 2020, and on 12 March 2020, Xiaoming Li was replaced by Yan Li as Non-Executive Director. The Company is in the process of reviewing candidates for an additional Non-Executive Director.

During the Quarter the Company completed acquisition of the Copper Hill Field Base.

The main activity on the Company's project portfolio continues to be focused on evaluation of existing data, research of new exploration techniques, and assessment of development pathways.

State government departments have announced a range of concessions to resource projects in response to the impact of Covid-19 restrictions on exploration activity. These include fee deferrals and waivers on expenditure commitments.

An updated review of current projects is provided in the following pages.

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REVIEW OF PROJECTS

The Golden Cross Resources Limited (GCR) portfolio of projects is diversified both by commodity and by geological province (**Figure 1**). It includes the following projects located in well-established mineral provinces where prospectivity is underlined by significant operating mines and known mineral deposits:

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

The portfolio has been refocused since 2015 by divestment of selected non-core properties.

The main objective of the Company is to progress the Copper Hill Project in NSW once additional funding is secured.

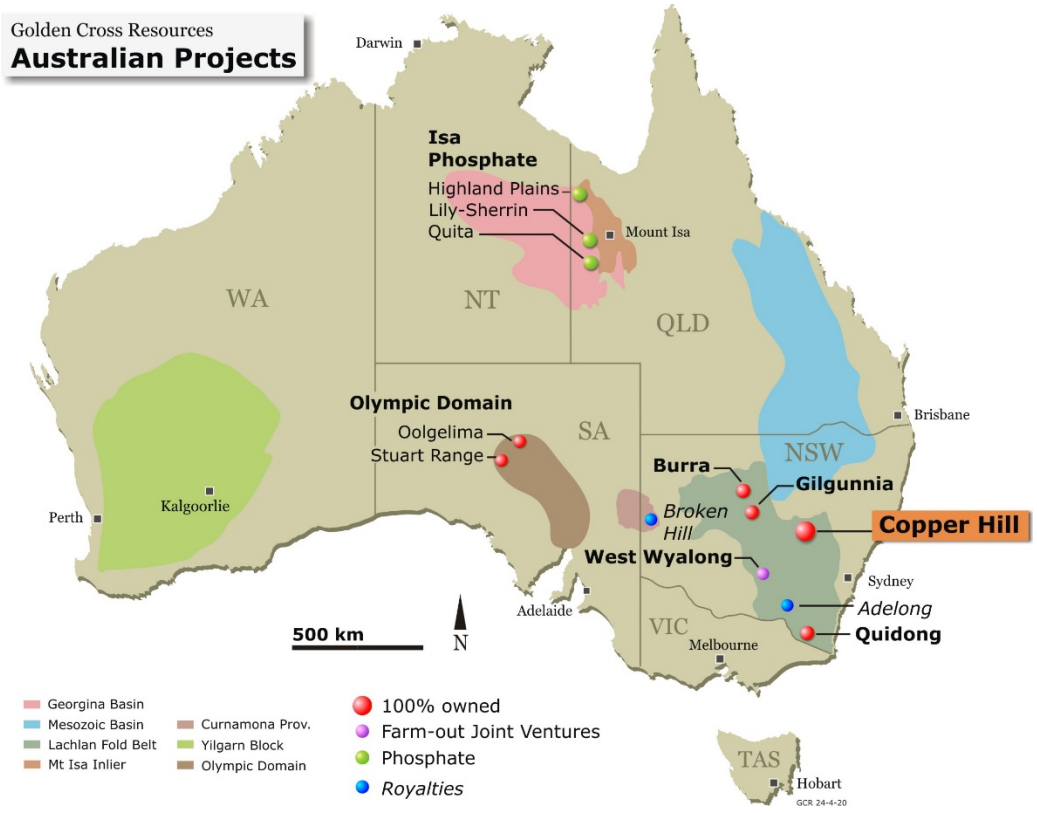

Figure 1: GCR Projects Status Map
[details of current projects are included in the Mineral Tenements Table at end of this report]

Copper Hill

GCR 100%

Copper Hill is within the same Ordovician-age Macquarie Arc volcanic belt (the Molong Volcanic Belt – "MVB") that hosts Cadia-Ridgeway and other significant copper-gold deposits in the Orange region of central NSW.

Copper Hill is approximately 50 kilometres north of Cadia on the northern edge of a structural corridor formed by the interpreted WNW-trending Lachlan Transverse Zone (**Figure 2**). Cadia is one of Australia's larger producing goldmines with annual production of 912,777 ounces gold and 90,841 tonnes copper in FY 2019 from ore grading 1.24 g/t gold and 0.38% copper (*Newcrest Quarterly Report June 2019*).

Prospectivity of the MVB received a boost when drill results from the Boda Prospect, 60km north of Copper Hill were released (refer Alkane Resources Ltd ASX announcements 9 September 2019, 13 February 2020 and 23 March 2020), sparking an exploration boom in the surrounding region.

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At Copper Hill the broader low grade mineralised envelope encloses a higher grade central zone containing of 160,000 tonnes copper and 480,000 ounces gold in a JORC 2012 Resource of 28 million tonnes grading 0.56% copper and 0.53 g/t gold, calculated at a 0.4% copper cut-off (*GCR: ASX 15 April 2015*).

Copper Hill has been independently valued by GEOS Mining Consultants at $14.4 million (*refer ASX announcement dated 21 September 2017*) within a range of $7.6M to $26.6M depending on criteria such as metal prices.

In March 2015 the Company completed a Scoping Study (*GCR: ASX 25 March 2015*), based around the higher grade central zone, that identified the additional feasibility work components required to progress towards a mining project, including:

- Drilling to extend high grade zones, provide density data, twin RC holes, clarify structural geometry controlling mineralisation, and provide resource definition data
- Resource updates utilising additional data from drilling
- Metallurgical testwork
- Processing technologies
- Mining and engineering studies and costing updates
- Environmental studies and baseline data
- Water supply sources and usage
- Land tenure and ownership
- Permitting at state and local government level

Figure 2: Copper Hill on NSW Porphyry Provinces

During the March 2020 Quarter, Golden Cross continued to examine initiatives to progress exploration and development that underpin components of the proposed PFS, specifically:-

- Land tenure, ownership and access, community consultation
- Baseline environmental data
- Permitting requirements at local government level
- Quantitative mineralogy research study to identify the complete mineralogical suite in a selection of samples from GCHD470 in the first pass. This data will be useful for mineral zonation work and future metallurgical evaluations.
- Future water sources

For the broader tenement area two research studies supervised by staff at the University of NSW continued:-

- relationship between carbonate depletion and soil pH above buried mineralisation, co-ordinated by Neil Rutherford, Rutherford Mineral Resource Consultants. This work may lead to the development of a surface technique for identifying mineral targets under soil cover.
- Biogeochemical pumping of metals to surface, using cypress pine leaves as a sampling medium, following on from similar studies at Golden Cross' Canbelego project and other areas in the Cobar Region.

Copper Hill is sparsely drilled below 350 metres vertically and there is good potential for depth extensions that may be vectored by mineralogical alteration studies. Occurrences of mineralisation along strike from Copper Hill in a 5-kilometre long corridor provide scope for further resources in satellite deposits.

A review of water data noted in exploration drilling logs identified potential water sources.

Copper Hill Field Base

The Coppervale Field Base was transferred to wholly owned subsidiary Vision Vale Holdings Pty Ltd on 10 February. Formal funding documentation for the acquisition remains to be completed.

Securing the field base will provide a stable facility for progressing the Copper Hill project.

West Wyalong

JV with Argent Minerals Ltd (ARD). ARD 79.64%; GCR 20.36%

The West Wyalong project is located immediately north along strike from the Temora Group of porphyry deposits which have Total Resources of 240 Million tonnes grading 0.3% copper and 0.3 g/t gold (*Sandfire:ASX 19 October 2017 Resources & Reserves Statement)*.

Following a detailed gravity survey in 2019, Argent identified six drilling targets and was granted a rebate of $200,000 of direct drilling costs under the NSW Government New Frontiers program (ARD announcement 27 April 2020). Drilling is planned later in the year.

GCR diluted its interest in the West Wyalong project to 20.36% by electing not to contribute to JV expenditure during the Quarter.

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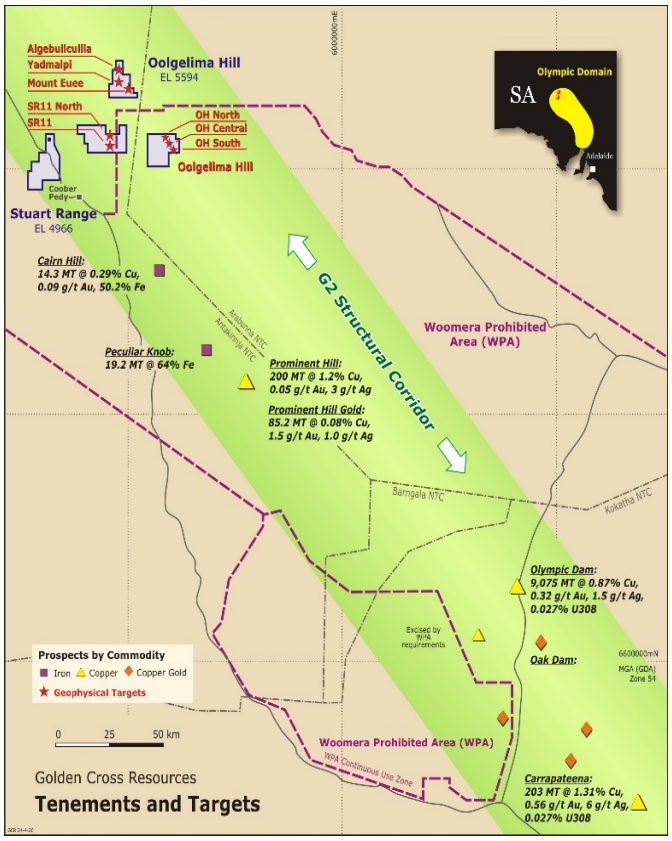
SOUTH AUSTRALIA
Iron Ore Copper-Gold (IOCG)
GCR 100%

The Company has identified magnetic/gravity targets at its IOCG Project in South Australia, and three have been prioritised for drilling subject to the availability of funding. The targets are located at the north-western end of the interpreted structural corridor that contains significant copper-gold deposits at Carrapateena, Olympic Dam, Prominent Hill and Cairn Hill (**Figure 4)**.

Proposals for a 3-hole drill program have State Government approvals and native title clearances. Renewal of permits for access to the Woomera Area remain subject to follow-up of the Review of the Woomera Prohibited Area Coexistence Report (Dr Gordon de Brouwer PSM) that was released on 29 March 2019.

Recent exploration activity within the G2 corridor and at the southeastern end provides positive support for prospectivity of the whole corridor (refer BHP ASX announcements on Oak Dam dated 27 November 2018 and 17 October 2019).



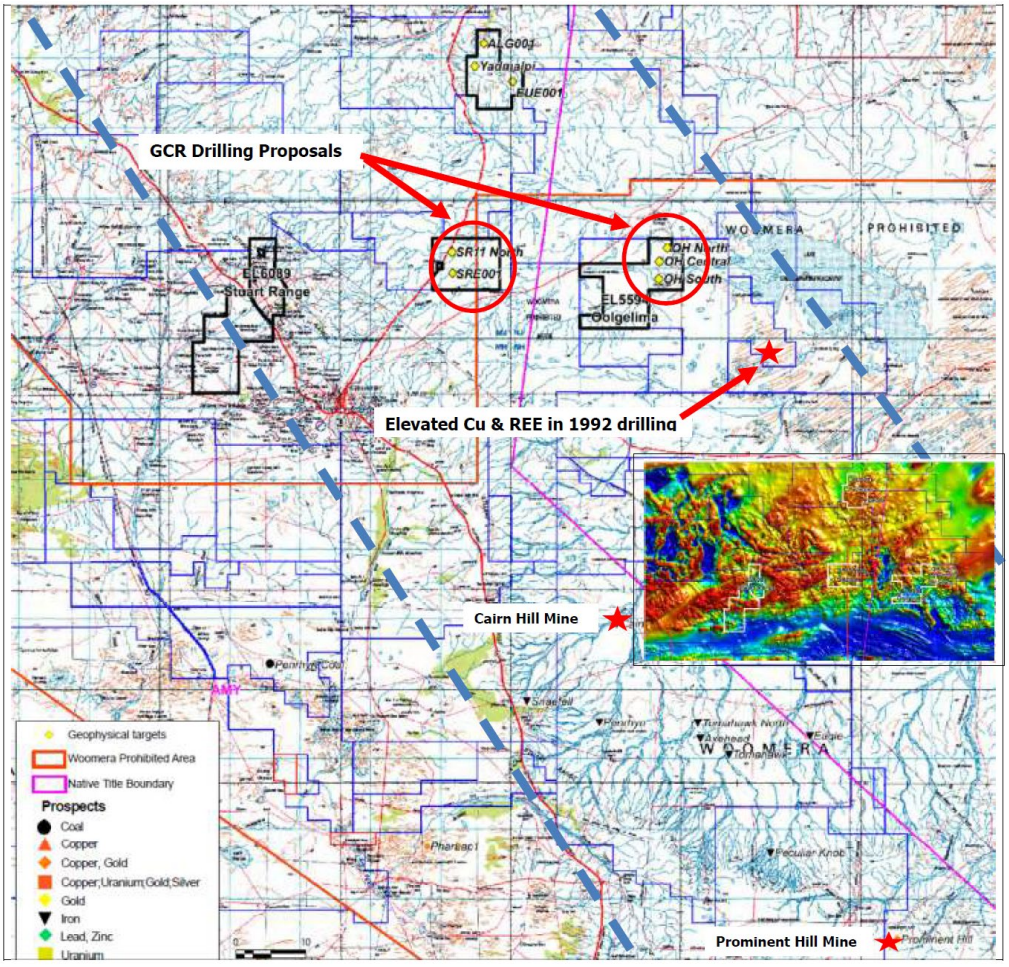


Figure 4: Gawler Craton Projects: Location & Drill Targets
(insert shows targets on magnetic image)

COBAR REGION
GCR 100%

The Cobar region is well endowed with high grade polymetallic deposits supporting long life mining operations. After divestments, GCR has a residual holding of strategically located tenements (**Figure 5**) in two areas.

Canbelego – along strike from Mt Boppy Goldmine. Further geochemical research consisting of innovative biogeochemical sampling has been completed and results are being evaluated.

Gilgunnia – the Kilparney Extended tenement is well located relative to recent exploration and discovery activity in the region. Land access issues that stalled implementation of planned surface work including gravity surveys remain to be resolved. The NSW Geological Survey undertook a regional Airborne EM survey in the region during 2019. Results including infill over EL8270 are scheduled for release on 30 April 2020.

Subject to the availability of funding, GCR is well placed to seek new opportunities based on its long term operating experience in the region.

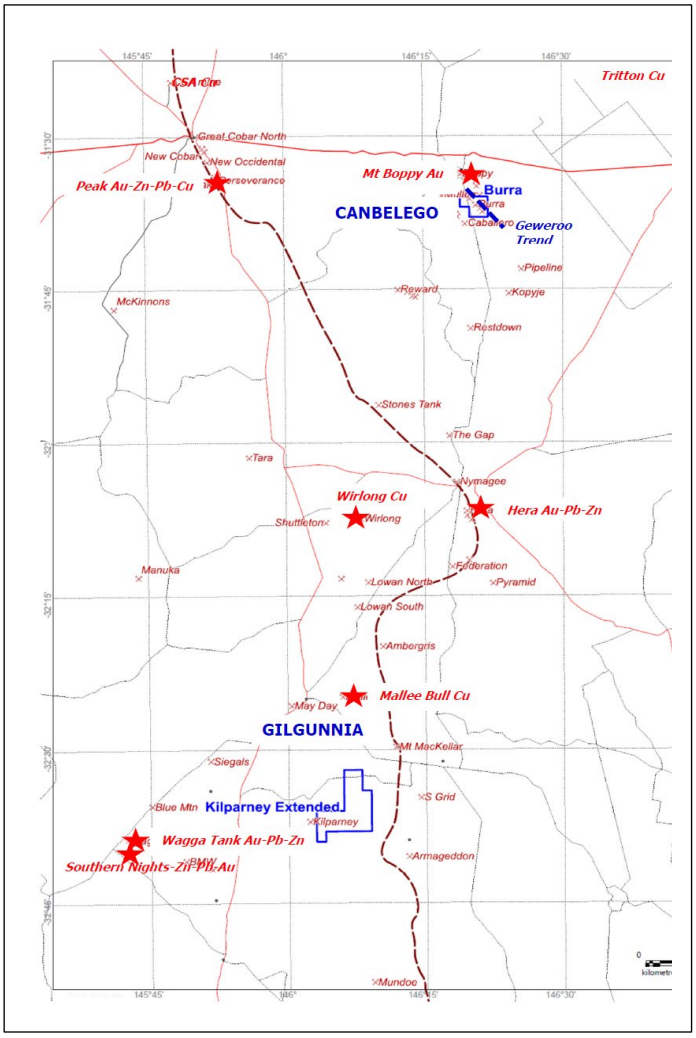


Figure 5: Cobar Region Projects

LACHLAN VMS PROVINCE
Silurian formations prospective for volcanic-associated massive sulphide (VMS) deposits extend over 300km from the Orange-Bathurst region in NSW through Woodlawn and Captain's Flat and southwards into eastern Victoria.

Quidong
GCR 100%

Quidong has extensive occurrences of carbonate-hosted zinc/lead and gold mineralisation, and potential intrusive-related gold mineralisation, which occurs elsewhere in the region. Previous data and GCR field reconnaissance have identified high grade zinc-lead-gold drill targets which remain to be tested. Electrical prospecting methods were previously trialled but the large amount of conductive sulphidic rock in the area has rendered the results inconclusive and alternative techniques for refining drill targets are being evaluated.

A core drilling program to test specific geologic targets with up to 4 staged holes has received government environmental approvals and commencement is subject to land access, drill rig availability, and funding.

Sunny Corner
Former JV with Argent Resources Ltd

GCO divested its 30% interest in EL5964 to Argent Resources Ltd in the December 2919 Quarter to facilitate a further transaction. Transfer of the tenement, approved in the previous Quarter, was registered on 20 January 2020.

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ISA PHOSPHATE, QUEENSLAND

GCR subsidiary, King Eagle Resources Pty Ltd (King Eagle), holds 100% of three deposits: Highland Plains, Lily & Sherrin Creek and Quita Creek (**Figure 6**), which account for a third of the historical phosphate resources of the province.

The Highland Plains phosphate deposit extends westwards into the Northern Territory where the western part is held by Gibb River Diamonds Ltd (formerly POZ Minerals Ltd). A maiden JORC 2004 resource for the western part of Highland Plains was announced by POZ on 31 March 2009. On 19 November 2018 Gibb River announced that it was negotiating a sale of its western part of Highland Plains.

The Quita Creek deposit is 25 kilometres southwest from the Ardmore deposit acquired by Centrex Metals Ltd (CXM) in 2017. A definitive feasibility study into development of nearby Ardmore was announced on 28 February 2019, which provides an analogy for progressing Quita Creek if sufficient higher grade and type phosphate resources can be delineated.

During the Quarter compilation and review of the historical data continued to evaluate high grade phosphate zones following recommendations of the data review completed by consultants Orewin Pty Ltd in September 2018. A work program to upgrade the historical Resources to JORC 2012 compliance, is being devised.

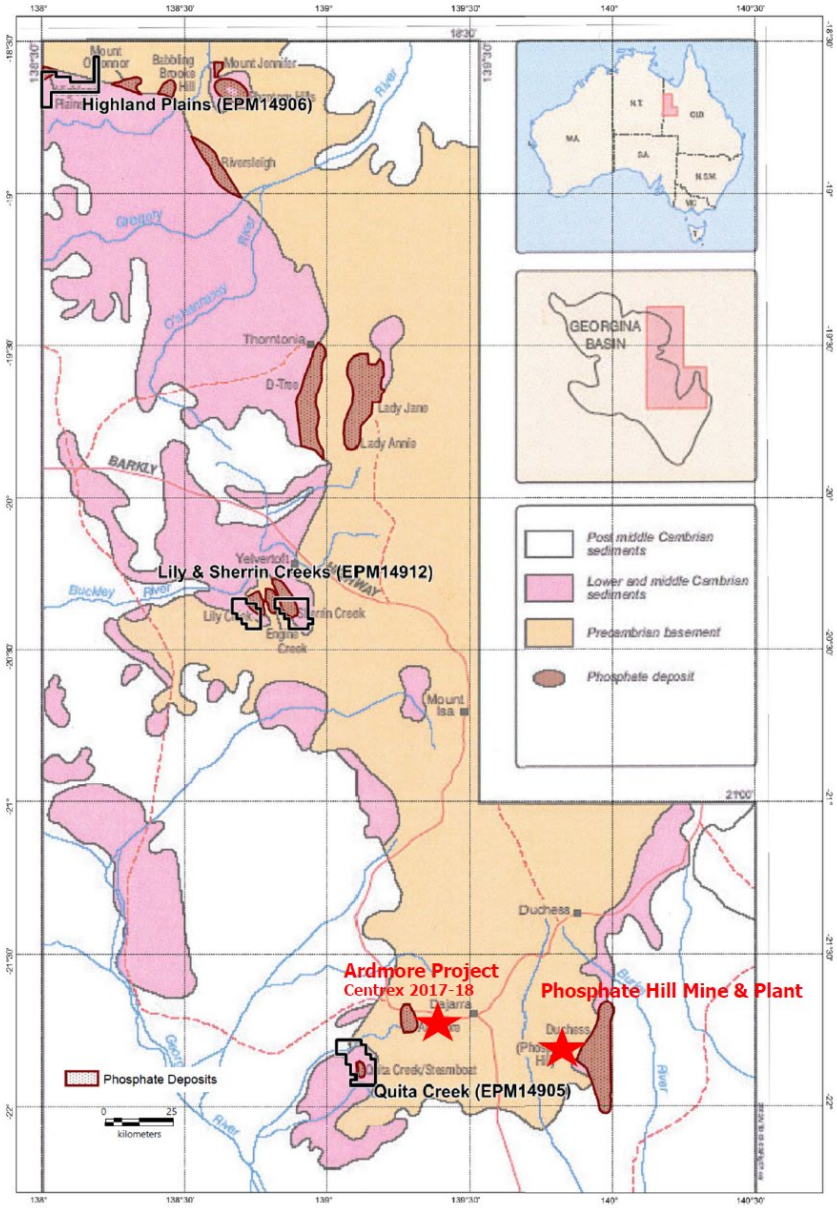

Figure 6: Isa Phosphate Projects

[based on map by Roger & Keevers, 1976 "Lady Annie-Lady Jane Phosphate Deposits, Georgina Basin, Queensland" In Economic Geology of Australia & Papua New Guinea, AusIMM Monograph 4]

INTERESTS IN MINERAL TENEMENTS (as at 31 March 2020)

	TENEMENT NAME	TENEMENT	km²	HOLDER (2)	% HOLDING	JOINT VENTURER/NOTES
NEW SOUTH WALES						
Orange Region	Copper Hill	EL 6391	95	GCO	100	
Cobar Region	Burra	EL 7389	15	GCO	100	
	Kilparney Extended	EL 8270	66	GCO	100	
Southeast Lachlan	Quidong	EL 7989	46	GCO	100	
West Wyalong	West Wyalong JV	EL 8430	43	GCO	20.36	ARD (1)
QUEENSLAND						
Mount Isa	Quita Creek	EPM 14905	111	KER	100	
	Highland Plains	EPM 14906	132	KER	100	
	Lily & Sherrin Creek	EPM 14912	108	KER	100	
SOUTH AUSTRALIA						
Coober Pedy	Oolgelima	EL 5594	236	GCR	100	
	Stuart Range	EL 6089	142	GCR	100	
PANAMA	El Cope	2007-95	98	GCRP	90	Application Dormant; MTI (2)

Notes

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

Full names for abbreviations are as follows:

GCO	Golden Cross Operations Pty Ltd, a wholly owned subsidiary of GCR
KER	King Eagle Resources Pty Limited, a wholly owned subsidiary of GCR
ARD	Argent Minerals Limited (ASX: ARD)
GCRP	GCR Panama, Inc, a wholly owned subsidiary of GCR
MTI	MapIntec Technologies Inc.

(1) ARD earned 51% in the West Wyalong Joint Venture by spending $750,000 by 1 June 2011. On 21 April 2017 ARD advised additional expenditure totalling $600,000 (for a total expenditure of $1,350,000) by 30 June 2017 was achieved, increasing its JV interest to 70%. Further expenditure by ARD to end of February 2020 has increased its JV interest to 79.64% with GCR diluting to 20.36%. Royal Gold Inc holds a 2.5% net smelter return.

(2) MapIntec Technologies Inc., a Panamanian company, has a 10% interest free-carried to a decision to mine.

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References to Previous Releases

24 March 2015 – "Copper Hill Resource Estimate"

15 April 2015 – "Scoping Study"

21 September 2017 – "Valuation Update"

***Compliance Statement**: The information in this report that relates to Exploration Results is based on information compiled by Mr Bret Ferris, who is a Member of the Australasian Institute of Geoscientsts (AIG). Mr Ferris is a consultant to, and Acting CEO of, Golden Cross Resources Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Ferris consents to the inclusion in this report of the matters based on that information in the form and context in which it appears.*

***The Production Target and the Mineral Resources** on which it is based are extracted from reports released to the ASX by GCR on 24 March 2015 and 15 April 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the production target in the report dated 15 April 2015 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 announcements.*

***Forward-Looking Statements:** This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Golden Cross Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.*

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Corporate Directory

Board of Directors as at 31 March 2020

Yan Li	Non-Executive Director*
Yuanheng Wang	Non-Executive Director
Jordan Li	Non-Executive Director & Chairman*

*appointed during the March 2020 Quarter

Acting Chief Executive Officer
Bret Ferris

Exploration Manager
Bret Ferris

Issued Share Capital
Golden Cross Resources Ltd had 101,622,227 ordinary shares on issue as at 31 March 2020.

Share Registry
Automic Group (from 19 August 2019)
Level 5, 126 Phillip Street
Sydney NSW 2000

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Toll Free	+61 2 9618 5414 (outside Australia)
Email	hello@automic.com.au

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

GOLDEN CROSS RESOURCES LTD

ABN	**Quarter ended ("current quarter")**
ABN 65 063 075 178	**31st March 2020**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	2	2
1.2	Payments for		
	(a) exploration & evaluation	(98)	(302)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs (excluding direct exploration salaries)	(39)	(113)
	(e) administration and corporate costs	(69)	(227)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(204)**	**(640)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(100)	(140)
	(b) tenements (see item 10)	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	9	39
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (net tenement security deposit refunds)	-	-
2.6	**Net cash from / (used in) investing activities**	**(91)**	**(101)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	100	100
3.5	Proceeds from borrowings	220	650
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**320**	**750**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	85	101
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(204)	(640)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(91)	(101)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	320	750
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**110**	**60**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	110	85
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details).	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**110**	**85**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	23
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Payment of director's fees, entitlements and expenses

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	3,720	3,420
7.2	Credit standby arrangements	0	0
7.3	Other (please specify)	0	0
7.4	**Total financing facilities**	3,720	3,420

7.5	**Unused financing facilities available at quarter end**	300
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

The global loan agreement for $2,720K (fully drawn down). Repayable 31 July 2020 (unless extended) or at a completion of capital raising by way of a share issue. Further loan facilities of $1,000K were available on the same terms.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(204)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	0
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(204)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	110
8.5	Unused finance facilities available at quarter end (Item 7.5)	300
8.6	Total available funding (Item 8.4 + Item 8.5)	410
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	**2.0**

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: .30th April 2020

Authorised by: Carl Hoyer
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: ..... Date: .....
(Director/Company secretary)

Print name: Carl Hoyer, Company Secretary

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose

additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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