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Golden Cross Resources Ltd

ABN 65 063 075 178

Half-Year Financial Report

31 December 2021

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Contents

	Page No.
Company Particulars	3
Directors' Report	4
Auditor's Independence Declaration	6
Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	20
Independent Auditor's Review Report to the Members	21

Company Particulars

Directors:	Jordan Li, MBA, FausIMM, MAICD, Executive *Chairman* Yuanheng Wang Non-executive Director Mark Moddejongen Non-executive Director Yan Li, MBA Non-executive Director
Company Secretary	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 1/6-10 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)

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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 2021.

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
Mark Moddejongen	Non-Executive Director
Yan Li	Non-Executive Director

Review and Results of Operations

The consolidated net loss after income tax for the six months to 31 December 2021 was $643,000 (31 December 2020: $493,000).

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 2021 to date are as follows:

Copper Hill Project

Tenement Geophysics: The planned collection of geophysical gravity data over selected stations contemplated in the program have been completed - see the ASX Announcement dated 5 January 2022 *"Copper Hill Tenement Geophysics"*. GCR is in the process of integrating the new data with previous data to better understand geological structure of Copper Hill. The timing for the results of the data interpretation depends on resolution of data integration issues.

Tenement Geochemistry: The planned surface soils sampling over targeted areas have been successfully completed - see the ASX Announcements dated 5 January 2022 *"Copper Hill Tenement Geochemistry"* and dated 11 January 2022 *"Copper Hill Geochemistry Assay Results"*

Metallurgy Review: Consultant Kenflo Pty Limited has completed a review and submitted to GCR his report with recommendations - see the ASX Announcement dated 31 December 2021 *"Copper Hill Metallurgical Review"*.

Oxide MET Test Hole: GCR completed drillhole GCHD477 to 99 metres designed to test the oxide zone and provide more information to assist metallurgical assessment of the material that would be removed in early stages of a possible development - see ASX Announcement dated 13 December 2021 *"Copper Hill Drilling Results"*.

Land Access: Landholders have co-operated and allowed access to all areas targeted by GCR to achieve its objectives in Geophysics and Geochemistry work – see the ASX Announcements dated 5 January 2022 *"Copper Hill Tenement Geophysics"* and *"Copper Hill Tenement Geochemistry"*.

KLPX Project

Geophysics: GCR completed a gravity geophysical survey as planned – see ASX Announcement dated 24 December 2021 *"Kilparney Extended Geophysics Update"*. A consultant geophysicist has completed a review of the collected data. Two main gravity features are identified and considering there is limited supporting data from other types of exploration, a review of possible further exploration is presented, including a range of geophysical techniques - see ASX Announcement dated 1 February 2022 *"Kilparney Extended Geophysics Review"*.

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Quidong Project

Approved Drilling: GCR completed the drilling of approved drillhole GQDD01- see the ASX Announcement dated 30 December 2021 *"Drilling Completed at Quidong"*.

South Australian Project

Drilling Access and Logistics (in part): GCR has received professional advice on access procedures and has lodged the relevant drilling approval application documents - see ASX Announcement dated 31 December 2021 *"South Australia Access Update"*.

Reinstatement to Official Quotation

On 17 February 2022, ASX released to the market:

"The suspension of trading in the securities of Golden Cross Resources Ltd ('GCR') will be lifted from the commencement of trading on Friday, 18 February 2022, following the release by GCR of an announcement regarding the completion of a capital raising and confirmation of satisfaction of ASX's conditions for reinstatement."

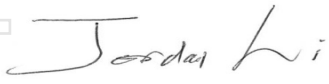
Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration to the Directors as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

Rounding

The Company is of a kind referred to in 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 2022

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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 2021, 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

Donovan Odendaal

Director

Sydney, 15 March 2022

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CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2021

	Notes	6 months to 31 December 2021 $'000	6 months to 31 December 2020 $'000
Other income	3	2	2
ATO job booster	3	-	30
Exploration expenditure	7	(117)	(48)
Depreciation		(21)	(50)
Other expenses from ordinary activities	4	(230)	(241)
Loss before tax and finance costs		(366)	(307)
Finance costs		(277)	(186)
Loss before income tax		(643)	(493)
Income tax benefit		-	-
Loss after income tax		(643)	(493)
Other comprehensive income		-	-
Total comprehensive loss for the period		(643)	(493)
Basic loss per share (cents)	2	(0.64)	(0.49)
Diluted loss per share (cents)	2	(0.64)	(0.49)

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

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Consolidated Statement of Financial Position
As at 31 December 2021

	Notes	31 December 2021 $'000	30 June 2021 $'000
ASSETS			
Current Assets			
Cash and cash equivalents		1,241	50
Other receivables		138	108
Prepayments		5	-
Total Current Assets		**1,384**	**158**
Non-Current Assets			
Property, plant and equipment		-	-
Right-of-use asset		35	55
Exploration and evaluation	7	12,497	12,404
Non-current other receivable		40	40
Total Non-Current Assets		**12,572**	**12,499**
Total Assets		**13,956**	**12,657**
LIABILITIES			
Current Liabilities			
Trade and other payables		345	245
Borrowings	9	110	5,263
Provisions		44	44
Lease liabilities		37	42
Total Current Liabilities		**536**	**5,594**
Non-Current Liabilities			
Borrowings	9	6,958	-
Lease liabilities		-	15
Total Non-Current Liabilities		**6,958**	**15**
Total Liabilities		**7,494**	**5,609**
NET ASSETS		**6,462**	**7,048**
EQUITY			
Issued capital	5	58,304	58,247
Reserves		922	922
Accumulated losses		(52,764)	(52,121)
TOTAL EQUITY		**6,462**	**7,048**

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

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Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2021

	Issued Capital	Share-based compensation reserve	Accumulated Losses	Total
	$'000	$'000	$'000	$'000
As at 1 July 2020	58,247	922	(51,232)	7,937
Loss after income tax	-	-	(493)	(493)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(493)	(493)
As at 31 December 2020	**58,247**	**922**	**(51,725)**	**7,444**
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**

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

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Consolidated Statement of Cash Flows
For the half-year ended 31 December 2021

	6 months to 31 December 2021 $'000	6 months to 31 December 2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(188)	(232)
Interest Paid	(60)	-
Other Income	2	2
ATO job booster	-	30
Net cash outflow from operating activities	(246)	(200)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	(201)	(82)
Office lease security deposit	-	(14)
Net cash outflow from investing activities	(201)	(96)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings	1,800	120
Repayment of related parties loans	(30)	-
Capital raising cost	(132)	-
Preplacement loan	-	145
Net cash inflow from financing activities	1,638	265
Net increase/(decrease) in cash and cash equivalents	1,191	(31)
Cash at beginning of the reporting period	50	68
Cash at end of the reporting period	1,241	37

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

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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 2021 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 2021.

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 2021 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 2022.

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 2021, the Consolidated Entity reported a net loss of $643,000 (31 December 2020: $493,000) and net operating cash outflows of $246,000 (31 December 2020: $200,000) The operating cash outflows and investment activities have been funded by cash reserves.
As at 31 December 2021, the Consolidated Entity had current liabilities of $526,000 (30 June 2021: $5,549,000) and cash reserves of $1,241,000 (30 June 2021: $50,000). The repayment terms of the current liabilities were adjusted thus reclassifying the amounts from current to non-current during the half-year ended 31 December 2021. The Company has raised new equity capital of $1,516,415 in February 2022

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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 2022 totalling $455,000 per Note 8. The balance of the cash reserves together with the new capital raised in February 2022 are sufficient to meet the Consolidated Entity's exploration activities, commitments, and operating and administrative expenditure for the next 12 months. Having regards to 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 may require additional funding to be secured from sources including but not limited to:

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

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

In the event that the assumptions underpinning the basis of preparation do not occur as anticipated, there is 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.

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Notes to the Financial Statements

2. LOSS PER SHARE

	HALF-YEAR	
	31 December 2021 Cents	31 December 2020 Cents
Basic loss per share	(0.64)	(0.49)
Diluted loss per share	(0.64)	(0.49)
	No of Shares	**No of Shares**
Weighted average number of ordinary shares used as the denominator in calculating basic and dilutive loss per share	102,732,339	101,622,227
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.	102,732,339	101,622,227

As at 31 December 2021, the weighted average number of options that were not included in the calculation of loss per share as they are antidilutive: Nil (2020: Nil)

	$'000	**$'000**
Loss used in calculating basic loss per share:	643	493
Loss used in calculating diluted loss per share:	643	493

3. INCOME

	HALF-YEAR	
	31 December 2021 $'000	31 December 2020 $'000
Other Income	2	2
ATO Job Booster	-	30
Total Income	2	32

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Notes to the Financial Statements

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4. OTHER EXPENSES AND FINANCE COSTS

	HALF-YEAR	
	31 December 2021 $'000	31 December 2020 $'000
Employee costs	72	103
Directors Fees	61	52
Share registry and Stock exchange fees	35	21
Insurance and Communications	24	10
Audit fees and legal fees	10	16
Other	28	39
Total Other expenses	230	241

5. ISSUED CAPITAL

	31 December 2021 Shares	30 June 2021 Shares	31 December 2021 $'000	30 June 2021 $'000
Opening Balance	101,622,227	101,622,227	58,247	58,247
Share issues in settlement of loans	3,048,667	-	189	-
Share Issue Costs	-	-	(132)	-
Closing Balance	104,670,894	101,622,227	58,304	58,247

6. SEGMENT REPORTING

The operating segments are reviewed and managed by the executive team based on the costs incurred for each exploration tenement throughout the reporting period, which are capitalised to operating segment assets. The operating segments identified by the executive team are based on areas of interest. Expenditure incurred and capitalised for the tenement areas are disclosed in Note 7.

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

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

Notes to the Financial Statements

6. SEGMENT REPORTING (CONTINUED)

OPERATING SEGMENTS

	Copper Hill $'000	Rest of Australia $'000	Total $'000
31 December 2021			
Exploration and evaluation impairment	-	(124)	(124)
Total segment net gain/(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 2020			
Exploration and evaluation impairment	-	(48)	(48)
Total segment net gain/(loss) after tax			(48)
Interest revenue			-
Other revenue			32
Depreciation			(50)
Other costs			(241)
Finance costs			(186)
Net loss before tax per statement of Comprehensive Income			(493)
31 December 2021			
Exploration and evaluation expenditure	12,497	-	12,497
Property, plant and equipment	-	-	-
Current and non-current prepayments	-	-	-
Total	**12,497**	**-**	**12,497**
30 June 2021			
Exploration and evaluation expenditure	12,404	-	12,404
Property, plant and equipment	-	-	-
Current and non-current prepayments	-	-	-
Total	**12,404**	**-**	**12,404**

	31 December 2021 $'000	30 June 2021 $'000
Reconciliation to total assets:		
Total assets by reportable segments	12,497	12,404
Cash and cash equivalents	1,241	50
Trade and other receivables	183	148
Right of use asset	35	55
Total assets per Statement of financial position	**13,956**	**12,657**

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Notes to the Financial Statements

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7. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2021 $'000	30 June 2021 $'000
Exploration Assets		
Costs brought forward	12,404	12,286
Expenditure incurred during the period	210	206
Deferred exploration expenditure written off*	(117)	(88)
Costs carried forward	12,497	12,404
Costs incurred on current areas of interest		
- Copper Hill	92	117
- Burra	10	11
- Codna Hill	-	2
- Oolgelima Hill	13	9
- Other Properties	95	67
	210	206

* 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.

8. COMMITMENTS

	31 December 2021 $'000	30 June 2021 $'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	455	321
Later than 1 year but not later than 5 years	314	464
Later than 5 years	-	-
	769	785

Notes to the Financial Statements

9. BORROWINGS

The Company has commitments for 19 unsecured loan agreements with related parties and others:

(1) HQ Mining Resources Holding Pty Ltd ("HQM"), the controlling shareholder, 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 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 2021 includes $47,172 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 per year, 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 2021 includes $178,570 in capitalised interest.

(3) HQM and the Company entered into a loan agreement on 17 August 2017 for the amount of $200,000 deliverable in 3 tranches at 9.75% interest per year, 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 2021 includes $102,092 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 per year, 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 2021 includes $181,163 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 per year, 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 2021 includes $21,784 in capitalised interest.

(6) HQM and the Company entered into a loan agreement on 18 September 2017 for the amount of $800,000 deliverable in 5 tranches at 9.75% interest per year, 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 2021 includes $325,650 in capitalised interest.

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Notes to the Financial Statements

9. BORROWINGS (CONTINUED)

(7) HQM and the Company entered into a loan agreement on 30 April 2018 for the amount of $800,000 deliverable in 4 tranches at 9.75% interest per year, 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 2021 includes $257,725 in capitalised interest.

(8) HQM and the Company entered into a loan agreement on 29 April 2019 for the amount of $100,000 deliverable in 3 tranches at 9.75% interest per year, repayable after the earlier of the Company raising $5,000,000 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 2021 includes $25,265 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 $5,000,000 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 2021 includes $49,653 in capitalised interest.

(10) HQM and the Company entered into a loan agreement on 14 November 2019 for the amount of $240,000 deliverable in 2 tranches at 9.75% interest per year, repayable after the earlier of the Company raising $6,000,000 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 2021 includes $47,740 in capitalised interest.

(11) Non-executive director Yuanheng Wang entered into a loan agreement on 30 January 2020 in the amount of $100,000 at an interest of 12% per year. Interest incurred on these loans at 31 December 2021 amounted to $11,039.

(12) HQM and the Company entered into a loan agreement on 2 March 2020 for the amount of $240,000 deliverable in 2 tranches at 9.75% interest, repayable after the earlier of the Company raising $6,000,000 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 2021 includes $40,115 in capitalised interest.

(13) The Executive Chairman, Jordan Li, the Acting CEO Bret Ferris (not a related party) and the former Company Secretary Carl Hoyer (not a related party) entered into loan agreements on 18 June 2020 each in the amount of $10,000, amounting to $30,000. The loan is unsecured and interest bearing at 12% per year. On 11 October 2021, the Company has fully repaid the loan owing to the former Company Secretary.

(14) HQM and the Company entered into a loan agreement on 27 July 2020 for the amount of $100,000 deliverable in 2 tranches at 9% interest per year, repayable after the earlier of the Company raising $6,000,000 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 2021 includes $11,959 in capitalised interest.

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(15) Acting CEO Bret Ferris (not a related party) and the Company entered into a loan agreement on 21 August 2020 for the amount of $10,000 deliverable in 1 tranche at 9.25% interest per year. The loan has been fully repaid during the financial period.

(16) Executive Chairman Jordan Li and the Company entered into a loan agreement on 28 August 2020 for the amount of $10,000 deliverable in 2 tranches at 9.25% interest per year. The loan has been fully repaid during the financial period.

(17) HQM and the Company entered into a loan agreement on 2 February 2021 for the amount of $50,000 deliverable in 2 tranches at 9% interest per year, repayable after the earlier of the Company raising $6,000,000 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 2021 includes $3,782 in capitalised interest.

(18) On 15 September 2020, the Company has received a total $299,300 loan from Martin Place Securities ("MPS") (not a related party). The loan is interest bearing at 9.5% per annum and the term is to be determined by trading and the valuation conditions. During the financial period, the Company has repaid $189,017 via issuance of 3,048,667 new shares at $0.062 per share. Subsequent to the financial period end, the Company repaid $100,002 in cash on 10 January 2022 with $10,281 balance remaining.

(19) On 28 July 2021, the Company entered into a $1.8 million loan agreement with Astute Dragon Commercial Limited ("Astute") (not a related party). 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.

9. SUBSEQUENT EVENTS

On 10 February 2022, the Company has issued 5,054,717 new shares at $0.30 per share and has successfully raised $1,516,415 before capital raising costs on closing the offer under a prospectus dated 29 November 2021.

Following the completion of the capital raising and satisfaction of ASX's conditions the Company's securities were reinstated to official quotation on 18 February 2022.

No other matter or circumstance has arisen since 31 December 2021 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.

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Directors' Declaration

For the half-year ended 31 December 2021

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 2021 and the performance for the half year ended on that date of the Consolidated Entity; and

  (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and

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

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

Jordan Li
Executive Chairman

Sydney, 15 March 2022

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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 2021, and 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 2021 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 - Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the half-year financial report, which indicates the Group's lack of available funds to settle exploration expenditure as well as operating and administrative expenditure. The Group further has borrowing repayment commitments in excess of available funds to settle said commitments. Although the repayment terms were extended post year and additional funds were obtained through a capital raise, these conditions, indicate the existence of a material uncertainty about 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.

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.

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.

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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 2021 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.

Donovan Odendaal
Director

Sydney, 15 March 2022