DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Golden Cross Resources Limited ("GCR") and the entities it controlled at the end of, or during, the year ended 30 June 2018.

DIRECTORS AND COMPANY SECRETARIES

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

Director	Qualifications and Experience	Special Responsibilities
Ken Hellsten	Mr Hellsten has held broad-ranging senior executive positions in the resources sector with both large multi-national and smaller companies including BHPBilliton, Centaur Mining, Polaris Mining and Golden Cross Resources. During his executive career he has been responsible for the acquisition and/or resource definition at several gold and nickel projects including Union Reefs, Tanami, Mt Pleasant (Quarters), Cawse and Ravensthorpe projects. Over the past 30 years Ken has worked almost exclusively in lead roles on resources projects and operations including Union Reefs, Mt Pleasant Gold Operations, Cawse and Ravensthorpe Nickel Projects, Yilgarn Iron Ore Project and Opaban iron ore project in Peru. Since 2006 Ken has operated as a consultant and/or director to a wide range of resources and investment groups and held the role of Managing Director with a number of resource companies. He was Interim CEO from December 2014 until November 2015. Ken was a Non-executive Director for Brierty Limited, a civil and mining contractor with annual turnover of more than $200 million from 2010 until June 2017.	Appointed as Director and Chairman 22 July 2016. Member of the Remuneration Committee, member of the Nomination and Audit Committee
Xiaoming Li	Non-executive Director since 13 January 2009. Over 20 years of experience in mining investment and operation. Successfully invested in several significant iron, copper, zinc, and lead mines in Mongolia, Kazakhstan, Chile, Philippines, Cambodia, and China. Chairman of China United Mining Investment Co., Ltd (CUMIC), Qinglong (International) Group, and Hong Kong Lungming Investment Ltd.	
Yuanheng Wang	Non-executive Director since 28 November 2014. LLB, postgraduate certificate in laws. Solicitor of Hong Kong since 1993. Currently, consultant solicitor of Messrs. W.H. Chik & Co., Solicitors, Hong Kong and chief legal advisor to Lung Ming Mining Co., Ltd of Hong Kong. His area of legal work is mainly corporate and commercial, including corporate finance, project finance, general commercial and company matters.	Appointed 28 November 2014 Member of the Remuneration, and Nomination and Audit Committee
Yan Li	Alternate Director to his uncle Xiaoming Li since 5 July 2010. Executive MBA from the People's University of China. Director of Beijing Shiji Qinlong Hi-Tech Co. Ltd.	
Neil Fearis	Non-executive Director since 22 October 2015, Neil Fearis is a leading corporate and commercial lawyer in Western Australia specialising in mergers and acquisitions, capital raisings and corporate reconstructions, with a particular focus on the mining and resources sector. Prior to studying law, Neil spent several years engaged in mineral exploration in both Australia and southern Africa and as a result has a good understanding of the practical issues facing companies developing resource projects in remote locations. Neil is a member of a number of professional bodies associated with commerce and the law, including the Law Council of Australia, the Financial Services Institute of Australasia, and the Australian Institute of Company Directors. Mr Fearis is currently a director of Ausgold Limited and Jacka Resources Limited. Mr Fearis previously held directorships with Tiger Resources Limited, Perseus Mining Limited and Carnarvon Petroleum Limited.	Appointed 22 October 2015 Chairman of the Audit Committee since 1 December 2017
Rob Thomson	Mr Thomson, BE (Mining), MBA, F.AusIMM, is a Sydney based Director and mining engineer with 35+ years' experience setting-up, delivering and successfully commercialising investments in copper, gold, base metals and coal projects. Copper/gold roles include ED for Finders Resources Indonesia, Wetar copper project; CEO Climax Mining Philippines, Didipio copper/gold porphyry concentrate project and Manager Projects for the Great Australia copper project, Queensland. He is experienced in the Orange/Western Districts mining area of NSW, containing the Company's Copper Hill project. having been Project Manager and first Resident Mine Manager for the Girilambone copper mine development. Mr Thomson is currently Managing Director of ASX listed Stonewall Resources restarting the TGME gold operations in South Africa. Appointed 22 October 2015 and Chairman of the Audit Committee since 30 June 2016. Retired by rotation 28 November 2017.	Appointed 22 October 2015 Chairman of the Audit Committee since 30 June 2016 Retired by rotation 28 November 2017.
Carl Hoyer	Company Secretary. Carl joined GCR part time in 2000 with over 25 years' accounting experience, he previously worked part time for Minteq Australia Pty Ltd up until 2007. Previously Carl was employed in various roles with CSR Limited from 1975 to 1997.	Appointed 10 August 2015

PRINCIPAL ACTIVITIES

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

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OBJECTIVES

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

The Company is assessing and progressing its Copper Hill Project, while carrying its exploration expenditure either directly or through farm-out agreements and joint ventures elsewhere in Australia.

DIVIDENDS

During the year ended 30 June 2018, no dividends were declared or paid. The Directors do not recommend the payment of a dividend in respect of the financial year.

OPERATING AND FINANCIAL REVIEW

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

1. Two active farm-ins and joint ventures on GCR properties were in place at year-end, as follows:
   - West Wyalong – copper-gold, with Argent Minerals Limited.

Sunny Corner – base metals, with Argent Minerals Limited.

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as noted elsewhere in this report, there were no significant changes in the state of affairs of the consolidated entity.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

At the date of this report there are no matters that have arisen since 30 June 2018 that have significantly affected or may significantly affect the operations of the consolidated entity in future financial years, the results of operations in future financial years, or the state of affairs in future financial years of the consolidated entity, except as follows;

- HQ Mining Resources Holding Pty Ltd and the Company entered into a Global Loan Agreement on 27 July 2018 consolidating all outstanding loans into one loan with a common repayment date of 16 July 2019.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Although GCR has been limited to modest programs on its wholly owned projects, it expects to be active on its major properties from the December quarter of 2018. Its farm-in and joint venture partners are exploring under the various farm-in and joint venture arrangements.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

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

These are graded 1 to 4 in terms of priority.

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

No reportable incidents occurred during the year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

INDEMNIFICATION OF AUDITORS

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

REMUNERATION REPORT – AUDITED

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

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REMUNERATION PHILOSOPHY

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

NON-EXECUTIVE DIRECTORS' FEES

The base fee for a Non-executive Director was raised from $30,000 to $50,000 on 23rd October 2015. The base fee for the Chairman was raised from $50,000 to $75,000 on 23rd October 2015. These are within the aggregate Directors fee pool limit of $300,000 set at the 2014 Annual General Meeting. Mr Li Xiaoming does not receive compensation or fees. All fees are exclusive of statutory superannuation.

EXECUTIVE REMUNERATION

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

SERVICE AGREEMENTS

Bret Ferris, Interim CEO, is employed under an employment contract with GCR. Scope of role and responsibilities as are customary for a Chief Executive Officer.

- Base remuneration of $8,400 per month (excl GST) based on minimum time commitment of 10 days per month.
- Termination provisions for Acting CEO role include a one week notice period.

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

DETAILS OF KEY MANAGEMENT PERSONNEL

DIRECTORS AND COMPANY SECRETARY

Ken Hellsten	Chairman
Xiaoming Li	Director (non-executive) Yan Li (Alternate)
Yan Li	Alternate Director to Xiaoming Li
Yuanheng Wang	Director (non-executive)
Neil Fearis	Director (non-executive)
Rob Thompson	Director (non-executive) retired by rotation 28 November 2017
Carl Hoyer	Company Secretary

EXECUTIVES

Bret Ferris	Acting CEO appointed 5 April 2017/Exploration Manager appointed 12 February 2007.

REMUNERATION REPORT – AUDITED

Remuneration of Key Management Personnel for year ended 30 June 2018

	Short Term Benefits			Post Employment Benefits		Share-based payment		
Name	**Short Term: Salary/ Fee $**	**Non-monetary benefits S**	**Termination payment $**	**Super $**	**Long Service Leave $**	**Options $**	**% of remuneration in options**	**Total $**
Neil Fearis	50,000	-	-	4,750	-	-	-	54,750
Kenneth John Hellsten	75,000	-	-	7,125	-	-	-	82,125
Carl Hoyer	79,445	-	-	6,224	1,091	-	-	86,760
Xiaoming Li (i)	-	-	-	-	-	-	-	-
Robert Thomson	20,833	-	-	1,979	-	-	-	22,812
Yuanheng Wang	50,000	-	-	-	-	-	-	50,000
Bret Ferris (iii)	162,330	-	-	-	-	-	-	162,330
Total	437,608	-	-	20,078	1,091	-	-	458,777

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

(i) Xiaoming Li is a majority shareholder of HQ Mining Resources Holdings Pty Ltd, a majority shareholder of Golden Cross, and does not receive remuneration from Golden Cross.

(ii) Bret Ferris the sole owner of Ferris Metals Pty Limited, through which he has been remunerated

Shareholdings of Key Management Personnel for year ended 30 June 2018

Name	Balance 01.07.17 (number)	Received as remuneration (number)	Options exercised (number)	Acquisition/(Disposal) of shares (number)	Balance 30.06.18 (number)
Carl Hoyer	-	-	-	25,000	25,000
Xiaoming Li	72,567,067	-	-	-	72,567,067
Total	72,567,067	-	-	25,000	72,592,067

Remuneration of Key Management Personnel for year ended 30 June 2017

	Short Term Benefits				Post Employment Benefits		Share-based payment	
Name	Short Term: Salary/ Fee $	Non-monetary benefits S	Termination payment $	Super $	Long Service Leave $	Options $	% of remuneration in options	Total $
Ian Buchhorn	1,781	-	-	169	-	-	-	1,950
Neal Fearis	50,000	-	-	4,750	-	-	-	54,750
Kenneth John Hellsten (i) (ii)	68,148	-	-	6,474	-	-	-	74,622
Carl Hoyer	78,170	-	-	6,110	1,088	-	-	85,368
Xiaoming Li (iii)	-	-	-	-	-	-	-	-
Mark Sykes	11,289	-	-	-	-	-	-	11,289
Robert Thomson	50,000	-	-	4,750	-	-	-	54,750
Yuanheng Wang	50,000	-	-	-	-	-	-	50,000
Bret Ferris (iv)	147,630	-	-	-	-	-	-	147,630
Total	457,018	-	-	22,253	1,088	-	-	480,359

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

(i) On 1 August 2016, the Company entered into a loan agreement with Ken Hellsten to provide a debt funding facility for a total consideration of $20,000. This loan had an interest rate of 9.75% per annum. It has been repaid in full with interest on 17 August 2016. The interest amount was $88.

(ii)On 29 September 2016 the Company entered into a sale agreement with Hellsten SF Pty Ltd atf KH & TH Superannuation Fund for the sale and lease back of the Coppervale property for $368,000 with including 3 years rental pre-paid ($90,000) as part of the sale. As part of the transaction the Company has secured the first right of refusal and option to purchase for the greater of $400,000 or market value for a period of 3 years. During the year to 30 June the amount of $22,500 was amortised against the rental prepayment

(iii) Xiaoming Li is a majority shareholder of HQ Mining Resources Holdings Pty Ltd, a majority shareholder of Golden Cross, and does not receive remuneration from Golden Cross

(iv) Bret Ferris the sole owner of Ferris Metals Pty Limited, through which he has been remunerated

Shareholdings of Key Management Personnel for year ended 30 June 2017

Name	Balance 01.07.16 (number)	Received as remuneration (number)	Options exercised (number)	Acquisition/(Disposal) of shares (number)	Balance 30.06.17 (number)
Xiaoming Li	72,567,067	-	-	-	72,567,067
Total	72,567,067	-	-	-	72,567,067

Option Holdings of Key Management Personnel

As at 30 June 2018 there were no options held by Key Management Personnel.

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End of Audited Remuneration Report

ANNUAL GENERAL MEETING

The Company's 2018 Annual General Meeting is scheduled to be held at the Office of Golden Cross Resources Ltd, 304/66 Berry Street, North Sydney on 28 November 2018.

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

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under section 207C of the Act is provided on page X

MEETINGS OF DIRECTORS

The number of meetings of the Company's Directors (including meetings of committees of Directors) held during the year ended 30 June 2018, and the numbers of meetings attended by each Director were:

Name	Full Board Meetings Held While a Director	Full Board Meetings Attended	Audit Committee Meetings Held While a Member	Audit Committee Meetings Attended	Remuneration and Nomination Committee Meetings Held While a Member	Remuneration and Nomination Committee Meetings Attended
Xiaoming Li	10	-	-	-	-	-
Ken Hellsten	10	10	2	2	-	-
Yuanheng Wang	10	9	2	2	-	-
Yan Li (Alternate)	10	7	-	-	-	-
Neil Fearis	10	10	1	1	-	-
Rob Thompson	3	3	1	1	-	-

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

Ken Hellsten
Chairman
20 September 2018

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Consolidated Statement of Comprehensive Income
For the year ended 30 June 2018

	Notes	2018 $'000	2017 $'000
Other income	5	55	7
Gain/(Loss) on sale of non-current assets		-	(2)
Exploration expense	6(a)	(302)	(391)
General and administrative expenses	6(b)	(587)	(639)
Loss before tax and finance costs		(834)	(1,025)
Finance costs		(164)	(62)
Loss before income tax		(998)	(1,087)
Income tax benefit	7	-	-
Loss after income tax		(998)	(1,087)
Net loss after tax attributable to members of Golden Cross Resources Limited		(998)	(1,087)
Other comprehensive income to be reclassified to profit and loss in future periods (unrealised gain/ (loss) on investments)			-
Total comprehensive loss attributable to the members of Golden Cross Resources Limited		(998)	(1,087)
Basic loss per share (cents)	8	(0.98)	(1.07)
Diluted loss per share (cents)	8	(0.98)	(1.07)

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Consolidated Statement of Financial Position

As at 30 June 2018

	Notes	2018 $'000	2017 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	9	212	240
Other receivables	10(a)	238	239
Prepayments	11(a)	56	65
Total Current Assets		506	544
Non-Current Assets			
Property, plant and equipment	12(b)	4	6
Exploration and evaluation	12(a)	11,820	11,481
Prepayments	11(b)	7	38
Total Non-Current Assets		11,831	11,525
Total Assets		12,337	12,069
LIABILITIES			
Current Liabilities			
Loans from directors/related parties	13(a)	2,403	1,089
Payables	13(b)	60	111
Provisions	14	84	80
Total Current Liabilities		2,547	1,280
Non-Current Liabilities			
Provisions	15	-	-
Total Non-Current Liabilities		-	-
Total Liabilities		2,547	1,280
Net Assets		9,791	10,789
EQUITY			
Issued capital	16	58,247	58,247
Reserves	17a	922	922
Accumulated losses		(49,378)	(48,380)
TOTAL EQUITY		9,791	10,789

Consolidated Statement of Cash Flows

For the year ended 30 June 2018

	Notes	2018 $'000	2017 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(635)	(633)
Interest received		8	5
Receipts from farm-in partners		-	2
Receipts from employee contracting		43	-
Net cash outflow used in operating activities	18	(584)	(626)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		-	-
Payments for exploration and evaluation		(594)	(513)
Proceeds from sale of Interest in Cargo		-	500
Proceeds from sale of Interest in Cullarin		-	12
Proceeds from sale of Interest in Gilgunnia		-	30
Proceeds from sale of plant and equipment		-	11
Proceeds from sale of Coppervale property		-	278
Repayment of other loan		-	1
Research and development tax refund		-	35
Net cash outflow used in investing activities		(594)	354
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,150	570
Repayment of borrowings		-	(170)
Net cash inflow from financing activities		1,150	400
NET INCREASE/(DECREASE) IN CASH HELD		(28)	128
Cash at beginning of the reporting period		240	112
CASH AT END OF THE REPORTING PERIOD	9	212	240

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Consolidated Statement of Changes in Equity
For the year ended 30 June 2018

	Issued Capital	Share-based Compensation Reserve	AFS Revaluation Reserve	Accumulated Losses	Total
	$'000	$'000	$'000	$'000	$'000
As at 1 July 2016	58,247	922	-	(47,293)	11,876
Loss for the period	-	-	-	(1,087)	(1,087)
Total comprehensive income/(loss) for period	-	-	-	(1,087)	(1,087)
As at 30 June 2017	58,247	922	-	(48,380)	10,789
As at 1 July 2017	58,247	922	-	(48,380)	10,789
Loss for the period	-	-	-	(998)	(998)
Total comprehensive income/(loss) for period	-	-	-	(998)	(998)
As at 30 June 2018	58,247	922	-	(49,378)	9,791

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1. CORPORATE INFORMATION

Golden Cross Resources Limited is a for profit entity

The financial report of Golden Cross Resources Limited (the "Company") for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on 20 September 2018.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. It has been prepared on an historical cost basis except for investments in listed shares, which are measured at fair value. The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated, as the entity is an entity to which ASIC Corporations instrument 2016/191 applies.

Going concern

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

For the full year ended 30 June 2018, the Group reported a net loss of $998,000 (2017: $1,087,000) and net operating cash outflows of $584,000 (2017 $626,000). The operating cash outflows and investment activities have been funded by cash reserves. As at 30 June 2018, the Group had net current liability of $2,041 including cash reserves of $212,000 (30 June 2017: Net current liability $736,000 including cash reserves of $240,000).

The balance of these cash reserves may not be sufficient to meet the Group's expenditure, including exploration activities, and operating and administrative expenditure, for the next 12 months. The Group has exploration commitments over the next 12 months from July 1 totalling $481,000 and additional required expenditure.

Notwithstanding the above, the financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. To continue as a going concern, the Group requires additional funding to be secured from sources including but not limited to:

- a further equity capital raising;
- 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 Group's ability to effectively manage their expenditures and cash flows from operations and the opportunity to sell or farm out interests in existing permits, the Directors believe that the Group will continue to operate as a going concern for the foreseeable future. Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

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

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

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(b) Statement of compliance

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

(c) (i) New accounting standards and interpretations

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted new and amended Australian Accounting Standards and AASB interpretations where applicable from 1 July 2017, which have no material impact on the company as follows:

- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
- AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements

(c) (ii) Accounting standards and interpretation issued but not yet effective

- AASB 2017-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses – Application date 1 January 2018 – Application date for Group 1 July 2018
- AASB 2017-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 – Application date 1 January 2018 – Application date for Group 1 July 2018
- AASB 16 – Leases – Application date 1 January 2019 – Application date for Group 1 July 2019
- AASB15– Revenue from Contracts with Customers – Application date 1 January 2018 – Application date for Group 1 July 2018
- AASB 9 – Financial instruments – Application date 1 January 2018 – Application date for Group 1 July 2018. Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period. The company is still in the process of assessing the potential impact of AASB16. Given the nature of the Group's operations, it does not expect the other standards to have to have a material impact. Certain disclosures and presentation may change due to new and amended standards.

(d) Basis of consolidation

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

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

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

(f) Cash and cash equivalents

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

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

(g) Trade and other receivables

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

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

(h) Exploration, evaluation, development and restoration costs

Exploration & Evaluation

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

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

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

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

Exploration & Evaluation – Impairment

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

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

(i) Investments

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

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

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

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

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

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

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

(j) Interest in jointly controlled operation

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

(k) Plant and equipment

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

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

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

Impairment

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

An item of plant and equipment is derecognised upon disposal.

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

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(l) Leases

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

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

(m) Pensions and other post-employment benefits

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

(n) Trade and other payables

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

(o) Provisions and employee leave benefits

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

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

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

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

Employee leave benefits

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

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

(ii) Long service leave

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

(p) Government Grants Accounting Policy

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

(q) Revenue recognition

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

Interest

Revenue is recognised as the interest accrues.

Royalties

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

Contract exploration

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

(r) Income tax and other taxes

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

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

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

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

Other taxes

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

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

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

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

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

(s) Currency

The functional and presentation currency for the Group is Australian dollars ($). Gains and losses due to movements in foreign exchange rates are recorded in the income statement.

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(t) Impairment of assets

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

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

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

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

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

(u) Contributed equity

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

(v) Segment reporting

(i) Identification of reportable segments. The Group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director and the Board of Directors (the Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. The operating segments identified by management are each exploration tenement. The Group operates entirely in the industry of mineral exploration, evaluation and development for different metals and minerals, including copper, gold, silver, coal, and others.

(ii) Discrete pre-tax financial information, being expenditure incurred year to date and from the start date, about each of these segments is reported to the Chief Operating Decision Makers on a monthly basis.

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

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

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

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

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

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

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

(a) Capital management

The Group considers its capital to comprise its ordinary share capital net of accumulated retained losses, $9,867,000 (2017: $10,954,000).

In managing its capital, the Group's primary objective as an explorer is to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. The Group has total debts of $2,403,000 (2017: $1,090,000) with a gearing ratio of 4.13% (2017: 1.87%).

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

(b) Principal financial instruments

The principal financial instruments are as follows:

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

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

(c) Financial instrument risk exposure and management

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

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

(d) General objectives, policies and processes

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

(i) Liquidity risk

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

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

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

(ii) Interest rate risk

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

At balance date, the Group is exposed to floating weighted average interest rates for financial assets of 1.70% on $200,000 in deposits at call (2017: 1.70%) and between 1.88% and 2.35% on $211,000 in security deposits (2017: 1.62% - 3.00%). A further amount in loans totalling $2,720,000 have an attached interest rate of 9.75% per annum.(2017: $1,070,000)

Year ended 30 June 2018			**Fixed interest maturing in:**				
	Notes	**Floating interest rate**	**1 year or less**	**over 1 to 5 years**	**more than 5 years**	**Non-interest bearing**	**Total**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets							
Cash	9	200	-	-	-	12	212
Receivables - Current	10 (a)	-	211	-	-	27	238
Receivables Non current	10 (b)	-	-	-	-	-	-
		200	211	-	-	39	450
Weighted average interest rate		1.70%	2.11%				
Financial liabilities							
Payables	13 (b)	-	-	-	-	60	60
Loans from Directors/related parties	13 (a)	-	2,403	-	-	-	2,403
Net financial assets		200	(1,832)	-	-	(21)	(1,653)
Attached interest rate			9.75%				

Year ended 30 June 2017			**Fixed interest maturing in:**				
	Notes	**Floating interest rate**	**1 year or less**	**over 1 to 5 years**	**more than 5 years**	**Non-interest bearing**	**Total**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets							
Cash	9	225	-	-	-	15	240
Receivables - Current	10 (a)	-	210	-	-	29	239
Receivables Non current	10 (b)	-	-	-	-	-	-
		225	210	-	-	44	479
Weighted average interest rate		1.70%	2.00%				
Financial liabilities							
Payables	13 (b)	-	-	-	-	111	111
Loans from Directors/related parties	13 (a)	-	1,090			-	1,090
Net financial assets		225	(880)	-	-	(67)	(722)
Attached interest rate			9.75%				

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Risk Exposures and Responses

Judgments of reasonably possible movements:	Post Tax Loss Lower/(Higher)		Equity Lower/(Higher)	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
+ 1% (100 basis points)	3	3	-	-
- 1% (100 basis points)	(3)	(3)	-	-

(iii) Foreign exchange currency risk

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

(iv) Share market risk

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

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

(v) Credit risk

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

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

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

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

Other receivables

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

(e) Accounting policies

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

(f) Fair value of financial assets and liabilities.

The Company has available to it various methods in estimating the fair value of listed investments. The methods comprise:

Level 1 - The fair value is calculated using quoted prices in active markets.

Level 2 - The fair value is estimated using inputs other than quotes prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - The fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The carrying values of trade receivables and trade payables are recorded in the financial statements approximates their respective net fair values, in accordance with the accounting policies outlined in note 2. The non-current other receivable was impaired at 30 June 2015 to an amount that approximates fair value, at 30 June 2018 there has been no significant change in the inputs that would indicate that the carrying value of the asset would not approximate the fair value.

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

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

All financial assets and liabilities are denominated in Australian dollars.

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Impairment of non-financial assets other than goodwill

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

Carrying values of exploration assets

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

Argent Receivable

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

5. OTHER INCOME

	2018 $'000	2017 $'000
Other Income from non-operating activities		
Interest received	8	5
Other	47	2
Total other income	55	7

6. GAINS & EXPENSES

	2018 $'000	2017 $'000
(a) Exploration expense		
Capitalised expenditure written off	302	391
	302	391
(b) General & administrative expenses		
Employee entitlements	244	255
Superannuation contributions	12	21
Audit fees	31	36
Depreciation of plant and equipment	-	5
Insurance	25	24
Legal	3	25
Operating lease - rental expense	59	58
Share Registry Fees and Stock Exchange Fees	31	32
Web site and computer maintenance	12	9
Other	170	174
	587	639

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7. INCOME TAX

	2018 $'000	2017 $'000
(a) The components of income tax expense are:		
Current tax	-	-
Deferred tax benefit	-	-
Total tax benefit	**-**	**-**

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

	2018 $'000	2017 $'000
(b) Numerical reconciliation of income tax expense to prima facie tax payable is as follows:		
Loss from operations before income tax expense	(998)	(1,087)
Tax at statutory tax rate of 27.5% (2017: 27.5%)	(275)	(299)
Tax effect of non-temporary differences	-	(1)
Tax effect of equity raising costs debited to equity	(2)	(3)
Tax effect of tax losses and temporary differences not recognised	277	303
Income tax expense	**-**	**-**

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

	2018 $'000	2017 $'000
Unclaimed value of share issue costs debited to equity	2	12
Tax benefit of unclaimed residuals at 27.5% (2017: 27.5%)	1	3

	2018 $'000	2017 $'000
(d) Tax Losses – Revenue		
Unused tax losses for which no tax loss has been booked as a deferred tax asset	43,770	42,510
Potential deferred tax benefit at 27.5% (2017: 27.5%)	12,037	11,690
Net deferred tax liability	(1,371)	(1,441)
Net deferred tax asset - not booked	10,666	10,249

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

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	2018 $'000	2017 $'000
(e) Temporary tax differences		
Accelerated deductions for tax compared to book	(3,630)	(4,022)
Other temporary tax differences	(1,357)	(1,217)
Total at 100%	(4,987)	(5,239)
Potential deferred tax liability @ 27.5% (2017: 27.5%)	(1,371)	(1,441)

8. LOSS PER SHARE

	2018	2017
Basic loss per share (cents per share)	(0.98)	(1.07)
Weighted average number of ordinary shares during the year used in the calculation of basic loss per share	101,622,227	101,622,227
Diluted loss per share (cents per share)	(0.98)	(1.07)
Weighted average number of ordinary shares during the year used in the calculation of diluted loss per share	101,622,227	101,622,227

	2018 $'000	2017 $'000
Loss used in calculating basic and diluted loss per share	(998)	(1,087)

Options

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

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

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

In 2018 the weighted average number of options that were not included in the calculation of loss per share as they are anti-dilutive is zero: (2017: zero)

9. CASH AND CASH EQUIVALENTS

	2018 $'000	2017 $'000
Cash at bank and on hand	212	240
	212	240

Note: The 11am call account at year-end had a balance of $200,000 with an interest of 1.70% (2017: Balance $225,000 interest 1.70%).

10. OTHER RECEIVABLES

(a) Current other receivables	2018 $'000	2017 $,000
Security deposits	231	231
Other debtors	7	8
	238	239

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Security deposits are required by government legislation as a prerequisite to exploration. The cash held in security deposits is not available until leases are relinquished or sold. The deposits are bearing floating interest rates between 1.88% and 2.35% (2017: between 1.62% and 3.00%).

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

(b) Non-Current Other receivables	**2018 $'000**	**2017 $'00**
Other Receivable (i)	-	-
	-	-

(i) Kempfield Sale Agreement:

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

(a) $1,000,000 payable in cash received in 2011.
(b) $1,000,000 payable in shares of Argent Minerals Limited upon receipt of the necessary consents and approvals by the Minister under the Mining Act (both received in Sept 2011), and received in 2012.
(c) a deferred portion of $1,000,000 payable in shares of Argent Minerals Limited upon a decision to mine. During the prior year the Group reassessed the fair value and determined that the probability of Argent reaching a decision to mine is nil. As such, the receivable amount was written down to a nominal value of $1.

The fair value of the non-current receivable is calculated using the method described above however utilising a current discount rate. The fair value of the non-current receivable is deemed to approximate the carrying value.

11. PREPAYMENTS

(a) Current prepayments	**2018 $'000**	**2017 $'000**
Prepaid expenses	56	65
	56	65

(b) Non Current prepayments	**2018 $'000**	**2017 $'000**
Prepaid expenses	7	38
	7	38

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

	2018 $'000	**2017 $'000**
(a) Exploration and Evaluation Expenditure		
Exploration Assets		
Costs brought forward	11,481	11,885
Expenditure incurred during the year	594	548
R & D Tax Refund written back (ii)	-	(35)
Disposal of Cargo (iii)	-	(526)
Expenditure written off during the year (i)	(255)	(391)
Costs carried forward	11,820	11,481
Costs incurred on current areas of interest		
- Copper Hill	339	142
- Burra	71	30
- Codna Hill	11	12
- Delaney's Tank	1	16
- Cargo	-	46
- Quidong	32	54
- Oolgelima Hill	20	35
- Other properties	120	213
	594	548

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(i) Relates to impairment of capitalised exploration expenditure to tenements which are no longer viewed as being economically recoverable. In addition to this expenditure during the period on a collection of other tenements was expensed as the tenements had all previously been written down to nil in the prior period.

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

(ii) During the period, no R & D refunds (2015-16 $35,063) were received from the Australian Taxation Office.

(b) Property, Plant and Equipment

	2018 $'000	2017 $'000
Cost	333	333
Accumulated depreciation	(329)	(327)
Net book value at end of the period	4	6
Net book value at beginning of year	6	407
Additions	-	-
Disposal of assets*	-	(396)
Depreciation expense	(2)	(5)
Net book value at 30 June	4	6

*Refer to Note 19 for further details surrounding the sale and leaseback of the Coppervale property

13. (a) CURRENT LIABILITIES – Loans from directors/related parties

	2018 $'000	2017 $'000
Loans from directors/related parties	2,403	1,089
	2,403	1,089

At 30 June 2018 the company has the following loan agreements with a related party.

1) HQ Mining Resources Holding Pty Ltd (HQM) and the company entered into a loan agreement on 22 September 2015 for the amount of $150,000 for a term of 12 months at 0% interest, repayable after the earlier of the company raising $500,000 through the issue of shares or at the first anniversary date of the loan. On 22 September 2017 this loan was extended for a further 12 months at an interest rate of 9.75%. Subsequent to the year end the repayment of the loan under the new Global Loan Agreement was deferred until 16 July 2019 at the same interest rate. The balance of the loan at 30 June 2018 includes $25,884 in capitalised interest.

2) HQM and the company entered into a loan agreement on 4 February 2017 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. Subsequent to the year end the repayment of the loan under the new Global Loan Agreement was deferred until 16 July 2019 at the same interest rate The balance of the loan at 30 June 2018 includes $69,455 in capitalised interest.

3) HQM and the company entered into a loan agreement on 17th August 2017 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. Subsequent to the year end the repayment of the loan under the new Global Loan Agreement was deferred until 16 July 2019 at the same interest rate. The balance of the loan at 30 June 2018 includes $33,708 in capitalised interest.

4) HQM and the company entered into a loan agreement on 8th 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. Subsequent to the year end the repayment of the loan under the new Global Loan Agreement was deferred until 16 July 2019 at the same interest rate. The balance of the loan at 30 June 2018 includes $44,396 in capitalised interest.

5) HQM and the company entered into a loan agreement on 14th 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. Subsequent to the year end the repayment of the loan under the new Global Loan Agreement was deferred until 16 July 2019 at the same interest rate. The balance of the loan at 30 June 2018 includes $4,688 in capitalised interest.

6) HQM and the company entered into a loan agreement on 18th September 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

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shares or at the first anniversary of the first tranche payment of the loan. Subsequent to the year end the repayment of the loan under the new Global Loan Agreement was deferred until 16 July 2019 at the same interest rate. The balance of the loan at 30 June 2018 includes $52,116 in capitalised interest.

7) HQM and the company entered into a loan agreement on 30th 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. Subsequent to the year end the repayment of the loan under the new Global Loan Agreement was deferred until 16 July 2019 at the same interest rate. As at 30th June $250,000 had been delivered. The balance of the loan at 30 June 2018 includes interest of $3,072.

13(b) CURRENT LIABILITIES - Payables

	2018 $'000	2017 $'000
Trade payables and other creditors	60	111
	60	111

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

14. CURRENT LIABILITIES – Provisions

	2018 $'000	2017 $'000
Provision for Annual Leave	30	30
Provision for Long Service Leave	54	50
Total Current Provisions	**84**	**80**

15. NON-CURRENT LIABILITIES – Provisions

	2018 $'000	2017 $'000
Provision for Long Service Leave	-	-
Total non-current liabilities – Provisions	**-**	**-**

16. CONTRIBUTED EQUITY

	2018 Shares '000	2017 Shares '000	2018 $'000	2017 $'000
Issued and paid up:				
Ordinary shares *	101,622	101,622	58,247	58,247

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

DATE	DETAILS	NO. OF SHARES	ISSUE PRICE CENTS	$'000
01.07.14	Closing Balance	1,889,299,391		57,812
28.08.14	1 for 20 Share Consolidation*	94,490,287		
1.12.14	Issue to Director and Ex directors	307,457	10.5	32
30.4.15	Shareholder Purchase Plan	5,791,949	6	348
3.06.15	Issue to employee	37,676	5.6	2
3.06.15	Issue to employee	451,124	6.6	30
	Less transaction costs of share issue			(10)
16.01.16	Issue to employee	543,735	6.1	33
30.06.18	Closing Balance	101,622,228		58,247

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

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

Options do not carry voting rights.

17. RESERVES

(a) Share-based compensation reserve

	2018 $'000	2017 $'000
Opening share-based compensation reserve	922	922
Share based expense	-	-
Closing share-based compensation reserve	922	922

Share-based compensation reserve

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

(b) Recognised share-based payment expenses

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

	2018 $'000	2017 $'000
Payments by way of options to directors and employees under Employee Option Plan	-	-
	-	-

Golden Cross Resources Employee Option Plan

The Golden Cross Resources Employee Option Plan was re-approved by shareholders at the general meeting of shareholders held on 28th November 2014. All employees (including directors and consultants) of Golden Cross Resources Limited and its controlled entity are eligible to participate in the plan. Employee options vest as follows: on date of grant, 10%; after 1 year, 30%; after 2 years, 60%; after 3 years, 100%. The number of employee options on issue at any time must not exceed 5% of the issued capital of the Company at that time.

There were no employee options issued during the current year.

18. STATEMENT OF CASH FLOWS RECONCILIATION

	2018 $'000	2017 $'000
Operating loss	(998)	(1,087)
Depreciation	2	5
Exploration and evaluation expenditure written off	302	391
Increase/(Decrease) in receivables and other assets	157	43
Increase/ (Decrease) in creditors	(51)	24
Increase/ (Decrease) in other provisions	4	(2)
Net cash outflow from operating activities	(584)	(626)

19. RELATED PARTY DISCLOSURES

Directors

Disclosures relating to Directors are set out in the Remuneration Report, included in the Directors' Report. Refer to Note 13(a) for details in relation to the loan agreement entered into during the period with a director.

On 29 September 2016 the Company entered into a sale agreement with Hellsten SF Pty Ltd atf KH & TH Superannuation Fund for the sale and lease back of the Coppervale property for $368,000 including 3 years rental pre-paid ($90,000) as part of the

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sale. As part of the transaction the Company has secured the first right of refusal and option to purchase for the greater of $400,000 or market value for a period of 3 years.

Wholly Owned Group

The wholly owned group consists of Golden Cross Resources Limited and its wholly-owned controlled entities, Golden Cross Operations Pty Ltd and King Eagle Resources Pty Ltd. Ownership interests in these controlled entities are set out in note 22. Golden Cross Resources Limited is the ultimate parent entity.

Compensation of Key Management Personnel

	2018	2017
	$	$
Short-term employee benefits (Salary/fee)	437,608	457,018
Post-employment benefits (Superannuation)	20,078	22,253
Non-monetary benefits (shares)	-	-
Other Non-monetary benefits	-	-
Long Service Leave expense	1,091	1,088
Option expense		-
	458,777	480,359

Loans to Key Management Personnel

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

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

There was $10k outstanding to key management personnel at 30 June 2018.

Amounts recognised as expenses

	2018	2017
	$'000	$'000
Director's fees	9	13
Superannuation	1	1
	10	14

Aggregate amounts payable to Directors of the Company at 30 June 2018 relating to the above types of other transactions

	2018	2017
	$'000	$'000
Current liabilities	10	14

Other transactions with related parties

Refer to Note 13(a) for details in relation to the loan agreements entered into during the period with a HQ Mining Pty Ltd, the majority shareholder of the company.

20. COMMITMENTS AND CONTINGENCIES

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

	2018	2017
	$'000	$'000
Operating Lease*s*		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than 1 year	61	60
Later than 1 year but not later than 5 years	21	20
Later than 5 years	-	-
Commitments not recognised in the financial statements	82	80

$82,000 of the commitments relate to the North Sydney Office lease which expires 31st October 2019.

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Exploration Commitments

In order to maintain current rights of tenure to exploration tenements, the economic entity has the following discretionary exploration expenditure requirements up until expiry of the leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable.

	2018 $'000	2017 $'000
Not later than one year	458	431
Later than one year but not later than 5 years	350	18
Later than 5 years	-	-
	808	449

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

21. REMUNERATION OF AUDITORS

	2018 $	2017 $
Remuneration for audit or review of the accounts and consolidated accounts of Golden Cross Resources Limited and its controlled entities		
	30,900	36,319
	30,900	36,319

22. PARENT ENTITY INFORMATION

Information relating to Golden Cross Resources Limited:	2018 $'000	2017 $'000
Current assets	210	240
Total assets	12,172	11,732
Current liabilities	2,430	1,134
Total liabilities	2,430	1,134
Issued capital	58,247	58,247
Accumulated losses	(49,427)	(48,571)
Share-based compensation reserve	922	922
Total shareholders' equity	9,742	10,598
Loss of the parent entity	(856)	(799)
Total comprehensive profit (loss) of the parent entity	(856)	(799)
	-	-
Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries.		
Details of any contingent liabilities of the parent entity.	-	-
	-	-

Notes to the Financial Statements
For the year ended 30 June 2018 (continued)

Details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment.

Golden Cross Resources Limited has 100% ownership of the entities Golden Cross Operations and King Eagle Resources Pty Ltd.

23. SEGMENT REPORTING

The operating segments are reviewed and managed by Chief Operating Decision Makers based on the costs incurred for each exploration tenement throughout the reporting period, which are capitalised to operating segment a ssets. The operating segments identified by management are based on areas of interest. Expenditure incurred and capitalised for these tenements is disclosed in note 13.

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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.

2018: OPERATING SEGMENTS	Copper Hill	Rest of Australia	Total
Reconciliation of segment net loss after tax to net loss before tax:			
Gain/(loss) on Sale of non-current assets	-	-	-
Exploration and Evaluation Impairment	-	(302)	(302)
Total segment net gain/(loss) after tax			(302)
Interest Revenue			8
Other Revenue			47
Share Based Payments			-
Depreciation			(2)
Other Costs			(749)
Net loss before tax per statement of Comprehensive Income			(998)

2017: OPERATING SEGMENTS	Copper Hill	Rest of Australia	Total
Reconciliation of segment net loss after tax to net loss before tax:			
Gain/(loss) on Sale of non-current assets	-	(2)	(2)
Exploration and Evaluation Impairment	-	(391)	(391)
Total segment net gain/(loss) after tax			(393)
Interest Revenue			5
Other Revenue			2
Share Based Payments			-
Depreciation			(5)
Other Costs			(696)
Net loss before tax per statement of Comprehensive Income			(1,087)

	Copper Hill	Rest of Australia	Total
30 June 2018			
Capitalised Expenditure	11,820	-	11,820
Property Plant and Equipment	4		4
Current and non-current prepayments	38	-	38
Total	11,862	-	11,862
30 June 2017			
Capitalised Expenditure	11,481	-	11,481
Property Plant and Equipment	6	-	6
Current and non-current receivables	68	-	68
Total	11,555	-	11,555

Reconciliation to total assets:

	2018	**2017**
	$,000	**$,000**
Total assets by reportable assets	11,862	11,555
Cash and cash equivalents	212	240
Other receivables	238	239
Prepayments	25	35
Total assets per Statement of Financial Position	**12,337**	**12,069**

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GEOGRAPHICAL SEGMENTS

	2018 $'000	2017 $'000
Non-current assets by geographical location:		
Australia	11,831	11,525
Total non-current assets as per Statement of Financial Position	**11,831**	**11,525**

24. SUBSEQUENT EVENTS

HQ Mining Resources Holding Pty Ltd 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, repayable after the earlier of the company raising $4,000,000 through the issue of shares. The repayment of this loan under the Global Loan Agreement was deferred until 16 July 2019. As at 30 June $550,000 was outstanding. Of this $75,000 was delivered on 4 July 2018, $70,000 on 1 August 2018 and $100,000 on 6 September 2018.

HQ Mining Resources Holding Pty Ltd and the company entered into a Global Loan Agreement on 27 July 2018. This agreement defers all loan repayments to be until 16 July 2019 unless the various Capital raising trigger points are reached prior to this date.

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DIRECTORS' DECLARATION

The Directors declare that:

In accordance with a resolution of the directors of Golden Cross Resources Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

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

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

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

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2018.

On behalf of the Board

Ken Hellsten

Chairman

Sydney, 20 September 2018

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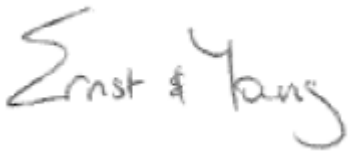
Auditor's Independence Declaration to the Directors of Golden Cross Resources Limited

As lead auditor for the audit of Golden Cross Resources Limited for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Golden Cross Resources Limited and the entities it controlled during the financial year.



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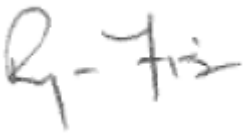

Ryan Fisk
Partner
Sydney
20 September 2018

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Independent Auditor's Report to the Members of Golden Cross Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Golden Cross Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report which describes the principal conditions that raise doubts about the Group's ability to continue as a going concern. These conditions along with other matters disclosed in Note 2 indicates that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matter to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Repor*t section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of capitalised exploration and evaluation expenditure

Why significant	How our audit addressed the key audit matter
Capitalised exploration and evaluation assets are the Group's largest asset. The carrying value of exploration and evaluation assets are assessed for impairment by the Group when facts and circumstances indicate that the capitalised exploration and evaluation expenditure may exceed its recoverable amount. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group has title and tenure to the licenses, will be able to perform ongoing exploration and evaluation expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. During the year, the Group determined that there had been no indicators of impairment. Due to the quantum of this asset and the subjectivity involved in determining its carrying value, this was a key audit matter. Refer to Note 12 (a) *Exploration and Evaluation Expenditure* to the financial statements for the amounts held on the balance sheet by the Group as at 30 June 2018 and related disclosure.	Our procedures to address the Group's assessment of the carrying value of exploration and evaluation assets included: ▸ consideration of the Company's right to explore in the relevant exploration area which included obtaining and assessing relevant documentation such as license agreements; ▸ consideration of the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included assessment of the Group's cash-flow forecast models and discussions with senior management and Directors as to the intentions and strategy of the Group; ▸ assessed recent exploration and evaluation activity in the relevant licence area to determine if there are any negative indicators that would suggest a potential impairment of the asset; and ▸ considered the adequacy of disclosures included within Note 12 of the financial report.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

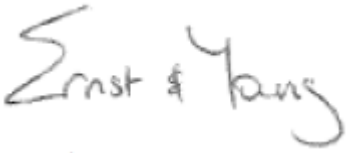
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 3 to 6 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Golden Cross Resources Limited for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



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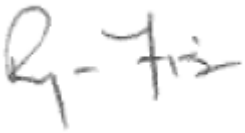

Ryan Fisk
Partner
Sydney
20 September 2018

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