For personal use only

GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

304/66 Berry Street
NORTH SYDNEY NSW 2060
Phone (02) 9922 1266
Fax (02) 9922 1288

30 April 2018

MARCH 2018

QUARTERLY ACTIVITIES & CASHFLOW REPORT

During the March 2018 Quarter work program proposals continued to be supported by the major shareholder HQ Mining Resources Pty Ltd ("HQ Mining") with an approved budget of $700,000 to the end of January 2018. Funding was received during the December Quarter, enabling completion of drilling at Copper Hill.

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

Corporate

HQ Mining and its associates currently hold 76.46% of the Company's shares and continued to provide funding support for the Company's activities during the Quarter via loan facilities. The Company continued discussions with HQ Mining, broking firms and potential investors regarding funding of future work programs, principally a Pre-feasibility Study at the Copper Hill Project.

HQ Mining has offered to provide further funding of up to $800,000 to support work programs during the first half of 2018. The first tranche of $100,000 was received on 30 April with a further $100,000 expected in early May, and the remaining tranches of $200,000 available for drawdown by the Company in each of May, June and July.

The Company continues to assess other options and expects to make a decision during May 2018 on the structure, key terms and timetable for securing the additional funding required to progress Copper Hill and the Company's other projects to the next stages, as well as to consider new opportunities.

For personal use only

REVIEW OF PROJECTS

GCR's portfolio of projects is diversified both by commodity and by geological province (**Figure 1**). It includes projects located in:

- Central NSW Porphyry Province - Copper/Gold
- South Australian Gawler Craton - Iron Oxide/Copper/Gold (IOCG)
- Northwest Queensland – Phosphate/Uranium
- Cobar Region NSW – Base Metals/Gold
- Lachlan VMS Belt NSW – Zinc/Copper/Gold

Prospectivity in each of these provinces is demonstrated by regional operating mines and/or significant deposits. The portfolio has been refocused over the past two years with selected divestment of non-core properties.

The Company remains committed to progressing its Copper Hill Project once additional funding is secured. In 2017 GEOS Mining Consultants were commissioned to review the 2015 valuation of Copper Hill. GEOS concluded a preferred value of $14.4 million for the Copper Hill Project within a range of $7.6M to $26.5M (compared with the 2015 value of $13.2M within a range of $10.0M to $14.5M). The new valuation considered several factors, including improved commodity prices and outlook and increased weighting to discounted cashflow (refer ASX announcement dated 21 September 2017).

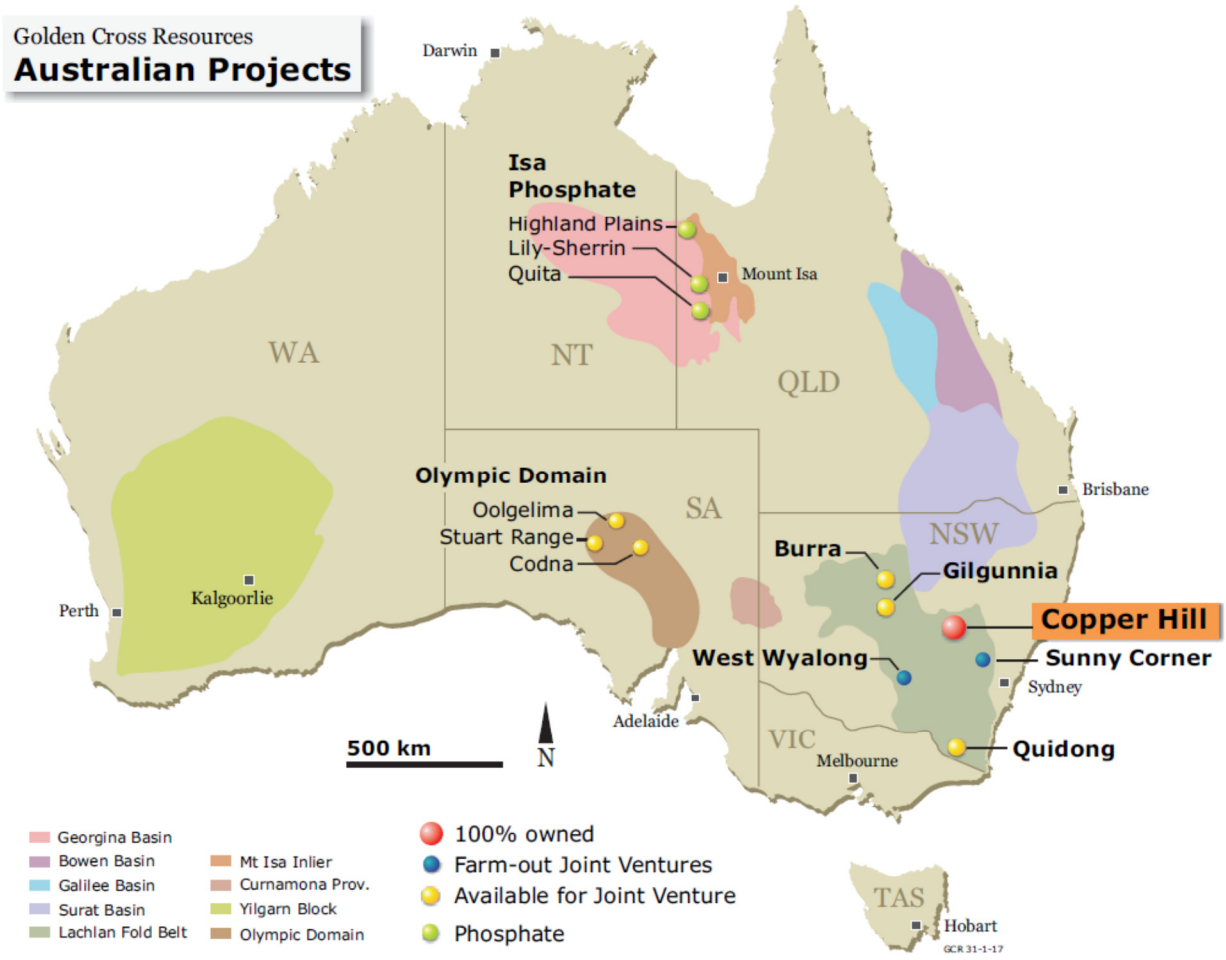


Figure 1: GCR Projects Status Map
[details of current projects are included in the Mineral Tenements Table at end of this report]

Copper Hill

GCR 100%

Copper Hill is approximately 50 kilometres north of the Cadia Valley Project, one of Australia's larger producing goldmines with annual production of 620,000 ounces gold and 63,800 tonnes copper in FY 2017 (Newcrest Quarterly Report June 2017).

Porphyry copper-gold deposits in the Copper Hill area occur within the same Ordovician-age volcanic belt that hosts Cadia-Ridgeway and other significant deposits. Copper Hill is located on the northern edge of a corridor formed by the interpreted WNW-trending Lachlan Transverse Zone (**Figure 2**).

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

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

- Drilling to extend high grade zones, provide density data, twin RC holes, clarify geometric controls, and provide resource definition data
- Resource updates utilising additional data from drilling
- Metallurgical testwork
- Mining and engineering studies and costing updates
- Environmental studies and baseline data
- Water supply sources and usage
- Permitting at state and local government level

Figure 2: Copper Hill on NSW Porphyry Provinces

For personal use only

During the March Quarter assay results from two holes completed in December were received and collated for evaluation. The drill core assay results were released in ASX announcements dated 23 January 2018 (GCHD 475) and 25 January 2018 (GCHD 476) and are summarised in **Table 1 and 2.**

Table 1: Drill Results using 0.4% copper cut-off grade:

Containing maximum 4 internal consecutive metres at < 0.4% copper:
Intervals less than 6m not listed

Hole ID	From (m)	To (m)	Interval (m)	Copper %	Gold g/t (ppm)
GCHD 475	130	164	34	0.51%	0.33
GCHD 475	172	180* (*EOH)	8	0.46%	0.71
GCHD 476	24	34	10	0.43%	0.14
GCHD 476	111	118	7	0.72%	2.22
GCHD 476	129	158	29	0.42%	0.66

Table 2: Drillhole Location Data

Hole ID	MGA East	MGA North	Elevation (m)	Dip	Azimuth	Length (m)
GCHD 475	674700	6341310	591.8	60	227	180.0
GCHD 476	674342	6341440	548.7	60	180	182.9

Azimuth in degrees magnetic. The Copper Hill Local Grid is located 49.9 degrees counter-clockwise (west) from Magnetic North and 38.5 degrees west from MGA North.

The higher grade intervals occur within a broader lower grade envelope defined by grades greater than 0.1%-0.2% copper which generally commence at the base of complete oxidation at 10-40 metres down hole.

A network of structures controls control the multiphase intrusives and mineralising events along with later stage dislocation along some structures. While continuity of the overall mineralised system is good, the combination of these structural features affects correlation of higher grade zones from hole to hole over distances of 50 metres or more. The current interpretation of extensive drilling and surface structural data is that the dominant mineralisation fabric is grid northwest as shown in **Figure 1** and this orientation tends to host higher copper grades, whereas higher gold grades are more likely in north-trending host structures. Higher grades of both copper and gold are also hosted in northeast-plunging lodes, and provide a potential vector to deeper, high grade targets and possible mineralisation sources, as well as refining the Resource Model.

The current east-west drilling orientation is considered the best compromise to test all orientations.

Assays from GCHD 475 returned high grade mineralisation (0.66% copper and 1.03 g/t gold) at end of hole that is outside the current higher grade (>0.4% copper) resource blocks and indicates potential to extend the higher grade mineralisation deeper, while results in GCHD 476 indicate an extension of resource grade mineralisation approximately 80 metres down dip from previous hole GCHD 470 into an area where the current block model was constrained by limited drilling and also indicates potential for extensions at depth towards the 300m level.

For personal use only

For personal use only

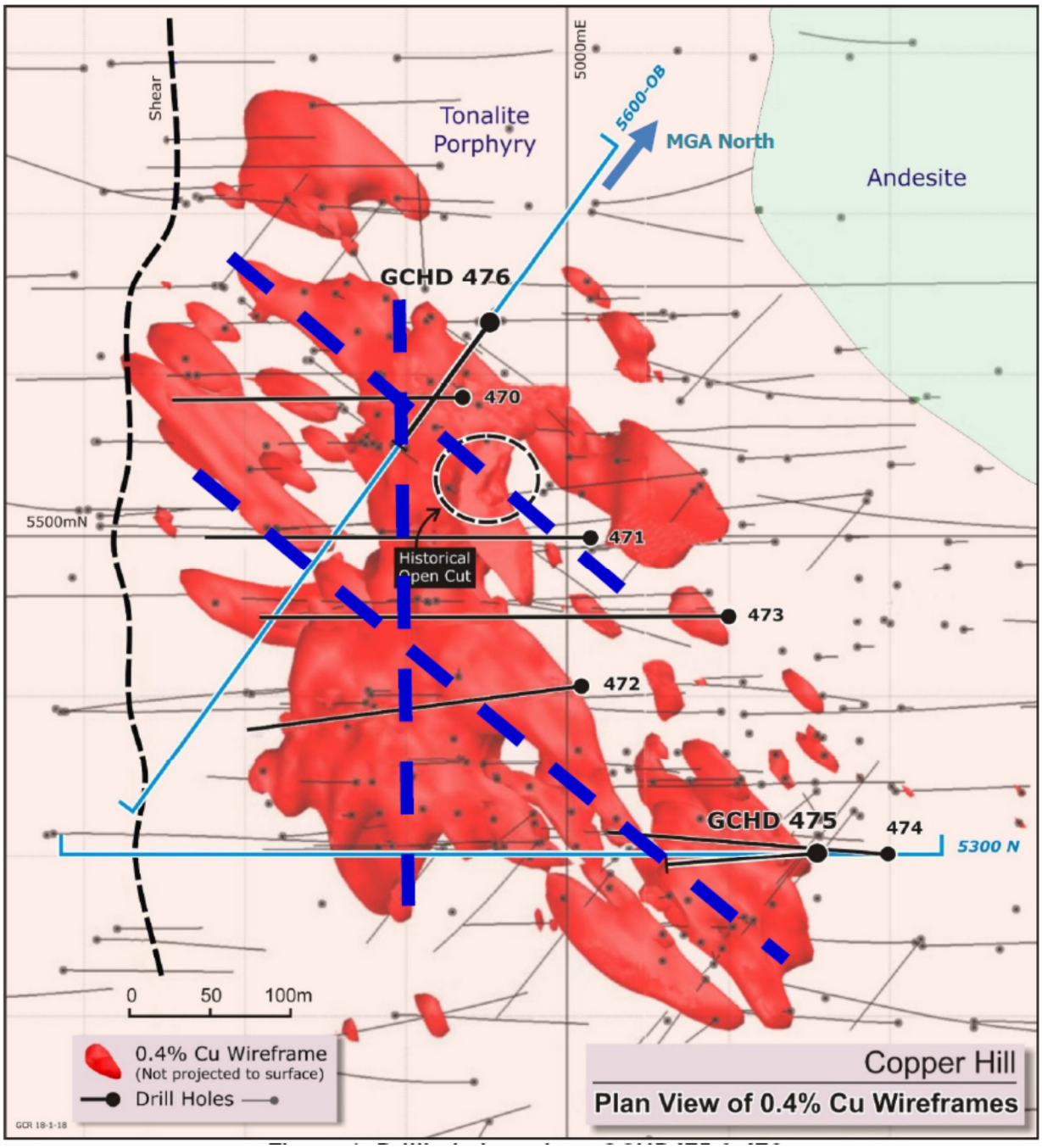


Figure 3: Drill hole locations GCHD 475 & 476 and dominant structural fabrics
Copper Hill Local Grid shown is rotated 38.5 degrees counter-clockwise (west) from MGA North

In other activity at Copper Hill, research studies have been initiated into:

- quantitative mineralogy, in a study to identify the complete mineralogical suite in a selection of samples from GCHD470 in the first pass. This data will be useful for mineral zonation work and future metallurgical evaluations.

- Relationship between carbonate depletion and soil pH above buried mineralisation. [co-ordinated by Neil Rutherford, Rutherford Mineral Resource Consultants]. This work may lead to development of a surface technique for identifying mineral targets under soil cover.

For personal use only

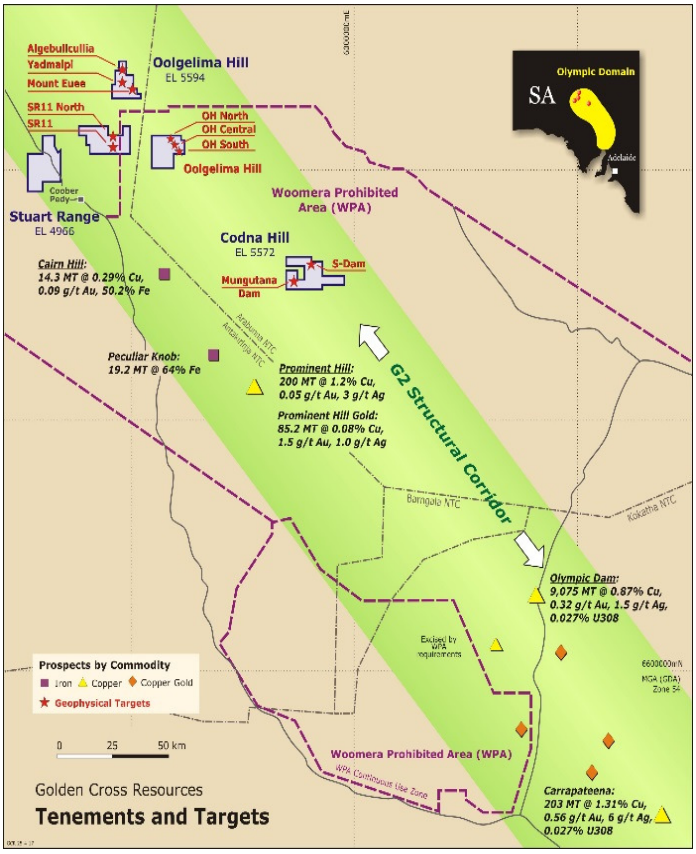
SOUTH AUSTRALIA
Iron Ore Copper-Gold (IOCG)
GCR 100%

At the Company's IOCG Project in South Australia it has identified several magnetic/gravity targets. Three targets have been prioritised for drilling, subject to availability of funding, after encouraging results from the 2013 drill program. The targets are located at the north-western end of the interpreted structural corridor that contains significant copper-gold deposits at Carrapateena, Olympic Dam, Prominent Hill and Cairn Hill (**Figure 4)**.

Proposals for a three-hole program received State Government approvals in 2017 and native title site clearances have been achieved.

Commonwealth Government approvals for access to the Woomera Area are awaited for two of the holes.

Approaches continue to be received from parties interested in farming in to these properties.



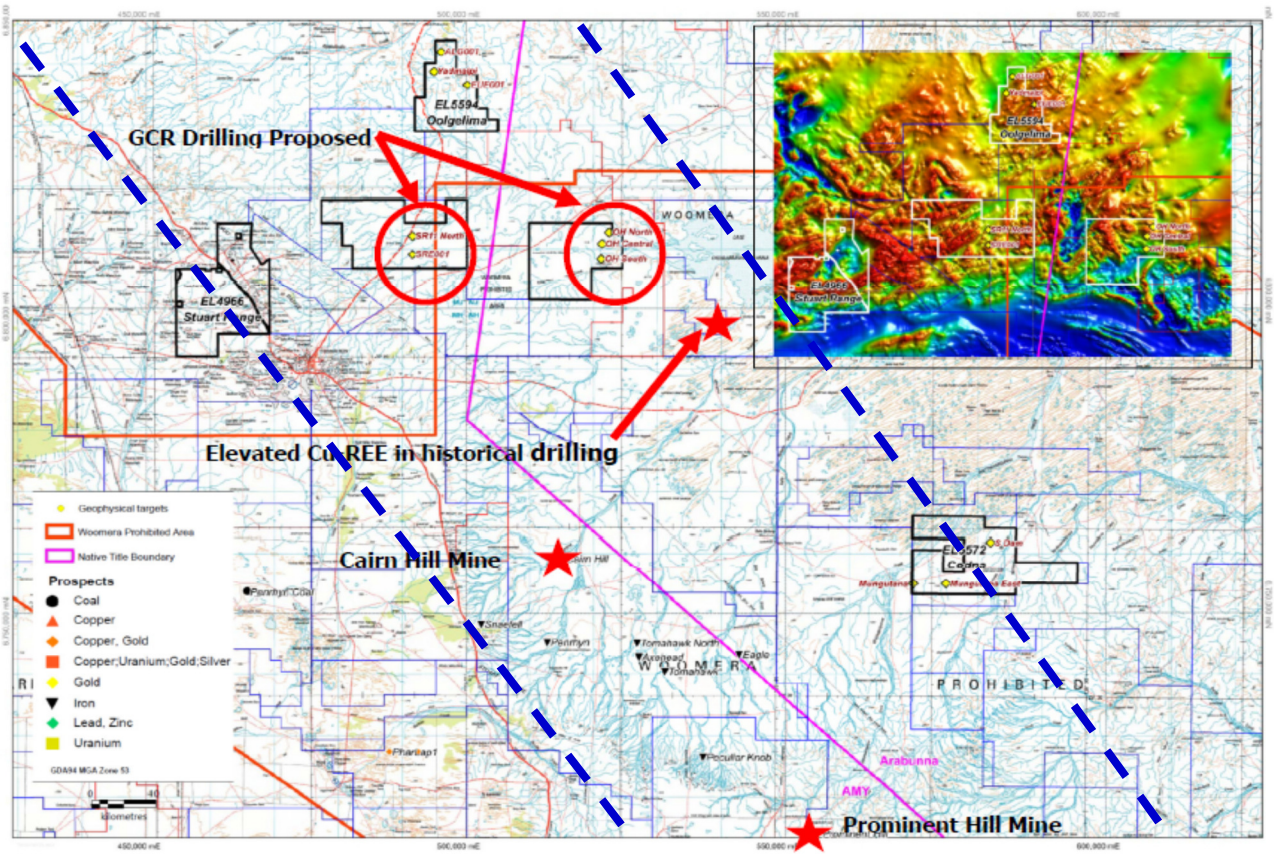


Figure 4: Gawler Craton Projects: Location & Drill Targets
(inset shows targets on magnetic image)

COBAR REGION
GCR 100%

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

Canbelego – along strike from Mt Boppy Goldmine. During the March Quarter approximately 600m of drill core was selected for hyperspectral scanning (Hylogger) as part of a Geological Survey project.

Gilgunnia – following divestments in 2017, the sole tenement remaining in the Gilgunnia region is Kilparney Extended. Land access issues stalled implementation of planned gravity surveys. As a result the tenement will be recommended for relinquishment.

GCR is well placed to seek new opportunities in the region based on the depth of its operating experience.

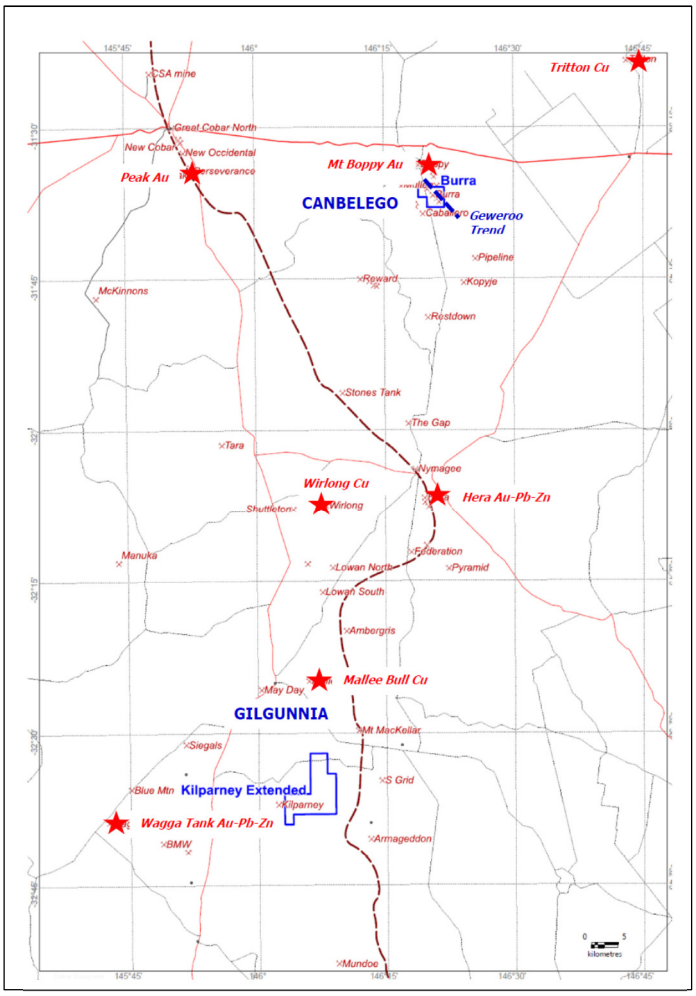


Figure 5: Cobar Region Projects

LACHLAN VMS PROVINCE

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

Quidong
GCR 100%

Quidong has extensive occurrences of carbonate-hosted zinc/lead and gold mineralisation, and potential intrusive-related gold mineralisation, which occurs elsewhere in the region. Previous data and GCR field reconnaissance have identified high grade zinc-lead-gold drill targets which remain to be tested. Electrical prospecting methods were trialled in November 2016 but the large amount of sulphidic rock in the area has rendered the results inconclusive and alternative techniques for refining drill targets are being evaluated, in conjunction with the proposed drilling program.

Sunny Corner
JV with Argent Resources Ltd (ARD). ARD 70%; GCR 30%

No field activity reported by JV partner.

For personal use only

ISA PHOSPHATE, QUEENSLAND

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

The Highland Plains phosphate deposit extends westwards into the Northern Territory where the western part is held by POZ Minerals Ltd (POZ). A maiden JORC 2004 resource for the western part of Highland Plains was announced by POZ on 31 March 2009.

The Quita Creek deposit is 25 kilometres from the Ardmore deposit acquired by Centrex Metals Ltd (CMX) in 2017, which has advanced to a resource upgrade and scoping study (Refer CXM: ASX 15 January 2018).

During the Quarter King Eagle's renewal applications for its three licences were approved for a further five year term. Compilation and review of the historical data are in progress to evaluate high grade phosphate zones and determine the work program required to upgrade the historical resources to JORC 2012 compliance.

OTHER JOINT VENTURES

West Wyalong

JV with Argent Minerals Ltd (ARD). ARD 78%; GCR 22%

ARD continued to evaluate the results of the 2017 drilling program. GCR has diluted its interest by electing not to contribute to JV expenditure during the Quarter.

For personal use only

For personal use only

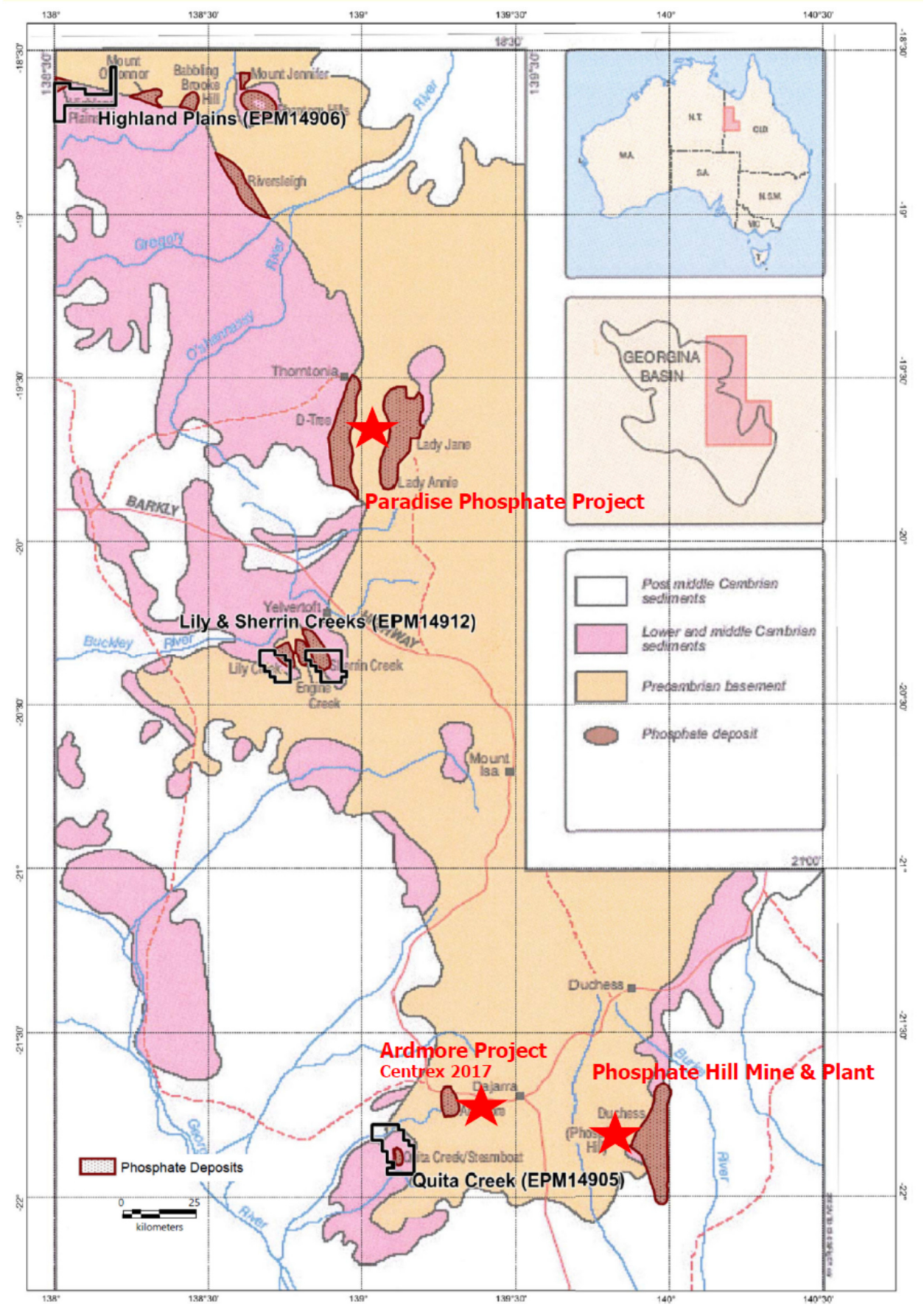


Figure 6: Isa Phosphate Projects

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

INTERESTS IN MINERAL TENEMENTS (as at 31 March 2018)

	TENEMENT NAME	TENEMENT	km²	HOLDER (2)	% HOLDING	JOINT VENTURER/NOTES
NEW SOUTH WALES						
Orange Region	Copper Hill	EL 6391	95	GCO	100	
Cobar Region	Burra	EL 7389	15	GCO	100	
	Kilparney Extended	EL 8270	152	GCO	100	
Southeast Lachlan	Quidong	EL 7989	98	GCO	100	
	Sunny Corner JV	EL 5964	109	GCO	30	ARD (2)
West Wyalong	West Wyalong JV	EL 8430	43	GCO	22	ARD (1)
QUEENSLAND						
Mount Isa	Quita Creek	EPM 14905	276	KER	100	
	Highland Plains	EPM 14906	300	KER	100	
	Lily & Sherrin Creek	EPM 14912	300	KER	100	
SOUTH AUSTRALIA						
Coober Pedy	Oolgelima	EL 5594	469	GCR	100	
	Stuart Range	EL 4966	226	GCR	100	
	Codna Hill	EL 5572	209	GCR	100	
PANAMA	El Cope	2007-95	98	GCRP	90	Application; MTI (3)

Notes

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

Full names for abbreviations are as follows:

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

(1) ARD earned 51% in the West Wyalong Joint Venture by spending $750,000 by 1 June 2011. On 21 April 2017 ARD advised additional expenditure totaling $600,000 (for a total expenditure of $1,350,000) by 30 June 2017 was achieved, increasing its JV interest to 70%. Further expenditure by ARD in 2018 has increased its JV interest to 78% with GCR diluting to 22%. Royal Gold Inc holds a 2.5% net smelter return.

(2) ARD earned 51% in the Sunny Corner Joint Venture by spending $500,000 by 1 June 2011 in Stage 1. It earned 70% by additional expenditure of $186,000 (for a total expenditure of $686,000) by July 2013.

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

For personal use only

References to Previous Releases

25 August 2014 – "Copper Hill Drilling Update – GCHD470 Complete Assays"

11 December 2014 - "Copper Hill Drilling Update – GCHD474 & Program Summary"

24 March 2015 – "Copper Hill Resource Estimate"

15 April 2015 – "Scoping Study"

21 September 2017 – "Valuation Update"

22 January 2018 – "Copper Hill Drilling Update" (GCHD 475)

25 January 2018 –"Copper Hill Drilling – Further Update" (GCHD 476)

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

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

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

For personal use only

Corporate Directory

Board of Directors as at 31 March 2018

Ken Hellsten	Non-Executive Chairman
Xiaoming Li	Non-Executive Director
Yuanheng Wang	Non-Executive Director
Neil Fearis	Non-Executive Director
Yan Li	Alternate Director for Xiaoming Li

Acting Chief Executive Officer
Bret Ferris

Exploration Manager
Bret Ferris

Issued Share Capital
Golden Cross Resources Ltd has 101,622,227 ordinary shares on issue as at 31 March 2018.

Share Registry
Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

Phone +61 2 9290 9600
Fax +61 2 9279 0664

Registered Office
304 / 66 Berry Street
North Sydney NSW 2060

Phone: +61 2 9922 1266
Fax: +61 2 9922 1288
www.goldencross.com.au

For personal use only

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

GOLDEN CROSS RESOURCES LTD

ABN	Quarter ended ("current quarter")
ABN 65 063 075 178	**31st March 2018**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	41	43
1.2	Payments for		
	(a) exploration & evaluation	(229)	(551)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs (excluding direct exploration salaries)	(38)	(115)
	(e) administration and corporate costs	(83)	(300)
1.3	Dividends received (see note 3)		
1.4	Interest received	3	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(306)**	**(917)**

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

For personal use only

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

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	100	900
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**100**	**900**

For personal use only

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	529	340
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(306)	(917)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	100	900
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**323**	**323**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	48	104
5.2	Call deposits	175	425
5.3	Bank overdrafts	-	-
5.4	Other (provide details). Receivable see 8.	100	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**323**	**529**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	47
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

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

Payment of director's fees, entitlements and expenses

For personal use only

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	Nil
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities	1,600	900
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Loan facility (unsecured) dated 27 August 2017 with HQ Mining $800K @ 9.75% interest pa. Fully drawn down and repayable by 27 August 2018 unless extended, or at completion of capital raising by way of a share issue. A further facility of $800K is available on the same terms, and has been drawn down by $100K.

9.	Estimated cash outflows for next quarter	$A'000
9.1	Exploration and evaluation	130
9.2	Development	-
9.3	Production	-
9.4	Staff costs (excluding exploration salaries)	40
9.5	Administration and corporate costs	80
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**250**

For personal use only

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

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

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

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

Print name: .Carl Hoyer, Company Secretary

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

For personal use only