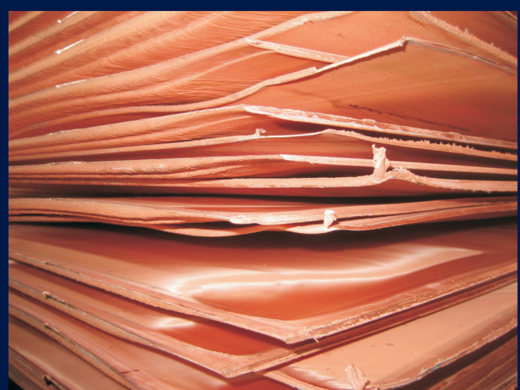

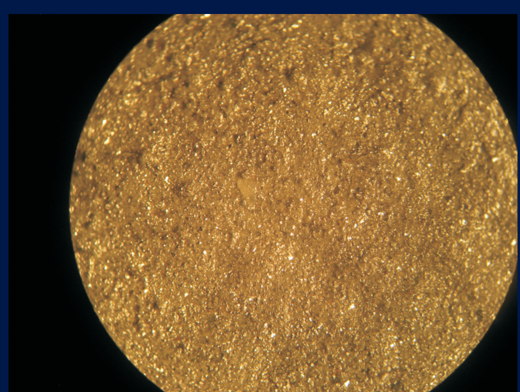

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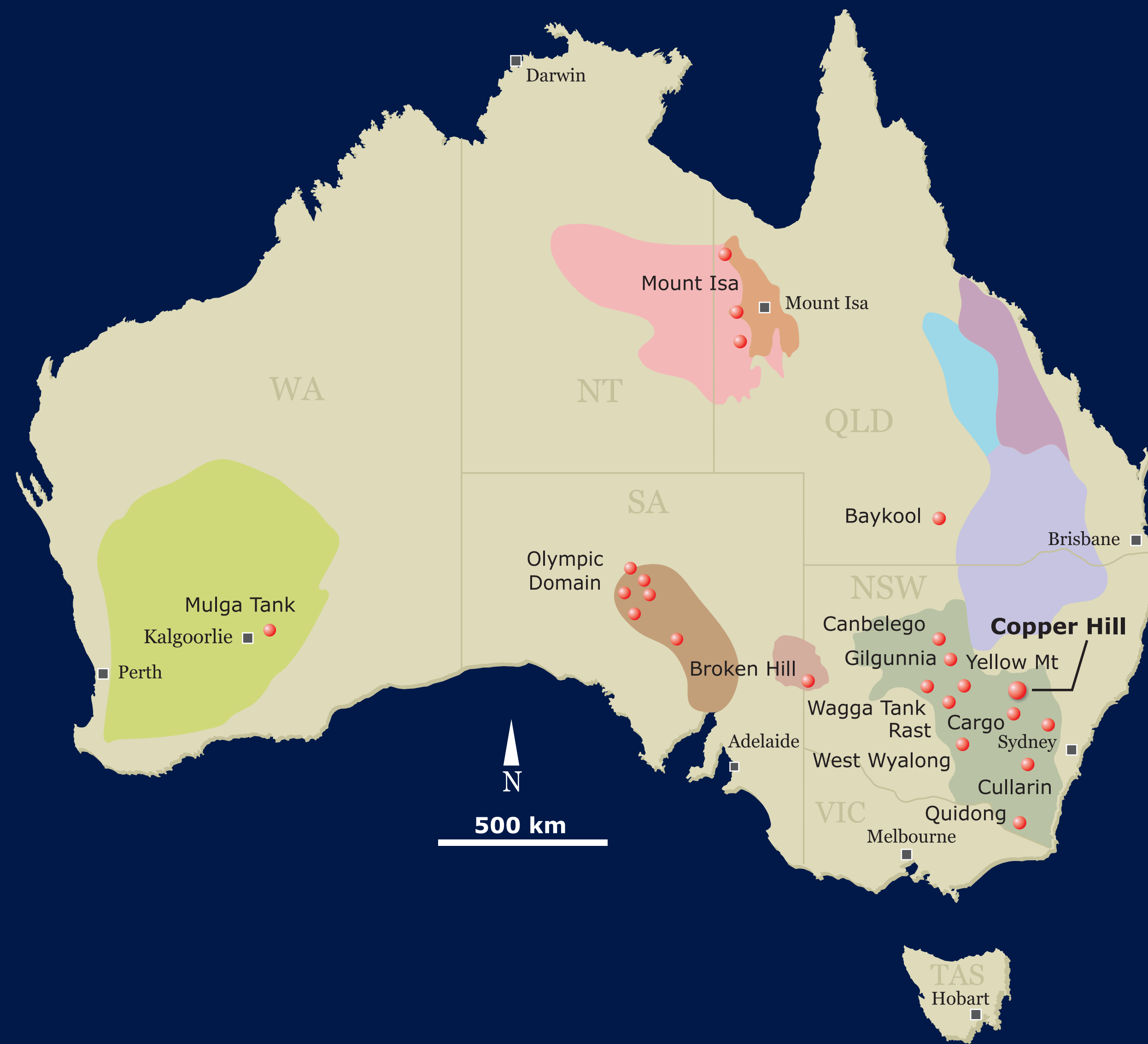

Golden Cross Resources Ltd

Annual Report 2012

CONTENTS

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DIRECTORS

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MAIME, MMICA
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Xiaoming Li, BA(Comm), MBA
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STOCK EXCHANGE LISTING

Golden Cross Resources Ltd shares are listed on the Australian Stock Exchange (Listing Code GCR)

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CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder,

It is with pleasure that I can avail myself of this, my first opportunity as Chairman of Golden Cross Resources Limited (GCR) to communicate with you.

Over the last financial year and subsequently, your company has maintained its principal objective of progressing the Copper Hill project. The revised mineral resource at Copper Hill is currently 153 million tonnes at 0.32% copper and 0.27 g/t gold, containing more than 490,000 tonnes of copper and 1.3 million ounces of gold. These are significant metal quantities notwithstanding the relatively low grades. During the year, a production model developing a higher grade portion of the mineralisation was thoroughly investigated as a potential start-up scenario, with expansion of operating scale to follow. The advantages of this approach are a smaller initial capital requirement and a simpler permitting pipeline. However, at the long term commodity price projections considered acceptable by funding sources, this option is not currently viable. Consequently, we are now investigating larger scale options with a view to determine the most attractive operating profile for future project development. Additional exploration targets remain to be tested and drill program planning is well advanced.

The Cargo gold project has also advanced significantly. A maiden resource of more than 280,000 ounces of gold contained in 10.4 million tonnes at 0.84 g/t gold (at a cut-off grade of 0.5 g/t) was estimated in 2012, and much of this prospective area is yet to be tested. The Company continues to drill for resource extensions and additional mineralised zones.

Capital markets have been adversely affected, particularly in the second half of the financial year, and GCR has not been exempted from diminishment of shareholder value. In the past year, funding has been obtained by divestment of non-core assets. This relieved the Company of the necessity of calling upon shareholders for additional capital, and management must be praised for this initiative. However, this course of action relies upon opportunistic conditions, and will not be uniformly available to us in the future.

In the long run, the Company will only be sustained and prosper as a result of the underlying value of our mineral assets. In my opinion, the mineral commodities to which GCR has applied its attention have been judiciously selected. I believe that both copper and gold have good long-term demand characteristics, which should provide the foundation on which to build. The effectiveness of our ongoing evaluation, acquisition and exploration program will determine how well we have utilised that foundation. In addition to furthering our principal projects, our management team has recognised and acquired a number of early-stage exploration projects which have shown a propensity to increase in prospectivity – and value – with investigation. Amongst these interesting prospects are deep copper-gold targets in the Gawler Craton, the Cobar-style Burra and Gilgunnia copper-gold targets, and the Eromanga steaming coal deposit.

Chris Torrey, my predecessor as Chairman of the Company, resigned on 1 March 2012 in order to assume executive responsibilities elsewhere. The board joins me in thanking Chris for his significant contribution to GCR and wishes him success in his future endeavours. I would also like to thank the directors, staff and consultants for their persistent and tenacious efforts over the past year, without which the Company would have been disadvantaged. Finally, I thank shareholders for their continuing support, and assure them of our continued efforts to realise the objectives we have set for the growth of share value.

I look forward to a productive year for your Company.

Steve Gemell
CHAIRMAN

REVIEW OF OPERATIONS

Golden Cross Resources has focused on developing its 100%-owned Copper Hill deposit, advancing the Cargo gold and Burra copper projects, and continuing its exploration efforts in a range of mineralised provinces across Australia searching primarily for copper and gold. As well as other base metal projects, the company holds coal tenement applications and substantial phosphate resources.

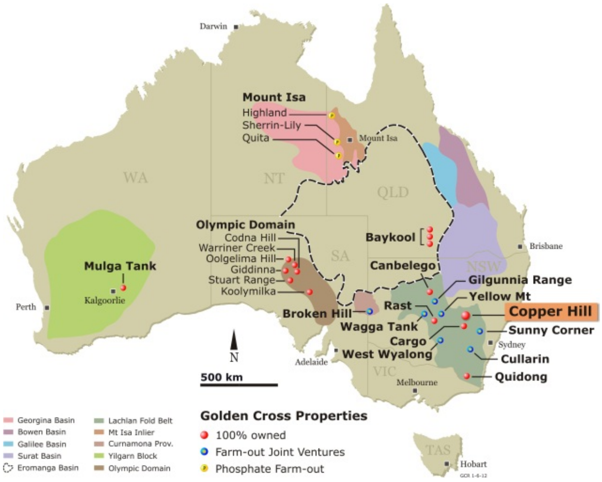


Figure 1. GCR's Project Location Map

COPPER HILL, NEW SOUTH WALES

Copper-Gold (Golden Cross 100%)

GCR's flagship copper-gold project contains a JORC-compliant Resource of 493,200 tonnes of contained copper and 1.33 million ounces of gold within a constrained, optimised open pit.

The Copper Hill deposit is contained within the Molong Project Area in central New South Wales, about four hours drive from Sydney, via Orange (Figure 2). It is hosted by prospective rocks of the Molong Volcanic Belt (MVB), a package of Ordovician-age island arc-related volcanics and sediments containing calc-alkaline and potassic intrusive complexes associated with copper-gold mineralisation. The MVB is a major component of the Lachlan Fold Belt and contains several porphyry copper-gold deposits and prospects including Cadia-Ridgeway and GCR's Cargo Gold Project. The Galwadgere copper-gold deposit also lies in the MVB, 50 kilometres north of Copper Hill.

Copper Hill is a typical low-grade porphyry copper-gold deposit hosted by dacite – tonalite porphyries which intruded andesitic volcanics. It is potentially extractable by open pit mining, is supported by excellent infrastructure and the proposed development has wide support within the Molong community. It remains the Company's most advanced project, with a constrained mineral resource of 153 million tonnes at 0.32 percent copper and 0.27 grams per tonne gold using a 0.2% copper cut-off grade.

Efforts to maximise the returns from Copper Hill with an 8 million tonnes per annum throughput and a comprehensive copper-gold-sulphur recovery process could not support the high capital cost estimate of more than $700 million. A fast-track 2 Mtpa expandable mining and milling strategy was considered for which an independent Scoping Study provided a cost estimate of $92 million for a standard crush-grind mill and flotation plant. Studies indicate that returns on this operation might not reward the funding required. Additional studies, into higher mining rates and mill throughputs, are now underway to determine the optimum project size that could support Copper Hill's eventual development.

Copper Hill drilling during the year totalled 756 metres of core in four holes, and a further 1,122 metres in fifteen RC holes.

Figure 2. Copper Hill and Cargo Projects, regional location map

Resource Estimate

A revised JORC resource estimate for Copper Hill was prepared by Richard Lewis, principal of Lewis Mineral Resource Consulting Pty Ltd in December 2011. The new resource, using a 0.2% copper cut-off grade, contains 493,200 tonnes of copper and 1.33 million ounces of gold. It is bounded by a pit design based on elevated copper and gold metal prices. There is additional mineralisation estimated outside this pit design, but at present this does not have reasonable prospects of eventual economic extraction and is not included. These resources and the additional mineralisation outside the resource pit are shown in Table 3. The total resources are the same grade but lower in tonnes than those reported in June 2011. The changes have resulted from additional drilling carried out and the different modelling technique used.

Figure 3. Copper Hill – Conceptual 30 million tonne Open Pit

Development Strategy

From the resources above, pit optimisation studies demonstrated that around 100 million tonnes could be available for mining.

Work on the Copper Hill Definitive Feasibility Study (2Mtpa option) has been deferred after economic studies indicated financial returns may not support development. Having regard to capital cost estimates in excess of $150 million and the limited copper and gold production profiles at the 2Mtpa mill feed rate, larger alternative throughput rates are now being examined.

On the other hand, there has been considerable progress on the Copper Hill metallurgy front. Copper and gold recoveries of 83% and 70% respectively have been achieved in recent locked-cycle tests to produce a copper concentrate containing 24% copper and 24g/t gold. There are indications that further improvements may be possible and more work is planned for the coming year.

GCR is now investigating economies of scale benefits which may result from higher mining and mill throughput rates of 5, 8, 12 and 15 million tonnes per annum and will test these in economic studies scheduled for completion in the September quarter 2012. A larger mine and plant may be more effective from an economic viewpoint, and, coupled with improved recoveries, could provide the way forward for Copper Hill. Projected capital costs will be higher but will be partially or completely offset by reduction in operating costs and increased total metal production. The financial modelling will allow GCR to determine the optimum throughput rate and make a decision on the future of the project.

Exploration efforts in the coming year at Copper Hill will now be directed to defined targets outside the immediate resource area. This will include follow-up drilling at the Power Induced Polarisation (IP) and copper-gold soil anomaly east of Copper Hill, the eastern side of the Copper Hill IP chargeability anomaly and testing geochemical and/or IP anomalies extending along strike to the southeast at Hayshed and Vale Head.

Scoping Study

Brisbane-based engineering firm, Calder Maloney Pty Limited, completed a Scoping Study of the proposed 2 Mtpa mining and mill throughput mine plan. The study was comprehensive and included a complete equipment list, design criteria and mass balance for the mill and plant flow-sheet. The plant capital cost estimate was A$92M and the overall total project capital notional cost estimate, including the plant, was A$155 million.

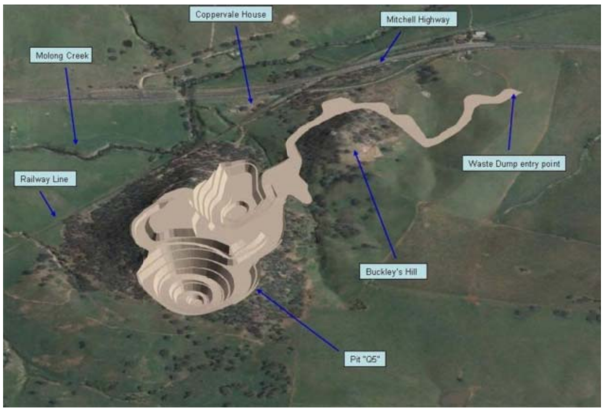


Figure 4. Copper Hill – potential 10Mt initial pit configuration.

Exploration

Potential exists outside the Copper Hill resource area with anomalous soil geochemistry and IP anomalies requiring additional testing. These areas include Buckley's Hill, the eastern edge of the Copper Hill IP anomaly, the Power Anomaly east of Copper Hill and the strike extensions to the southeast from Wattle Hill to Hayshed and beyond to Vale Head (Figures 5, 6, 7 and 8a & 8b).

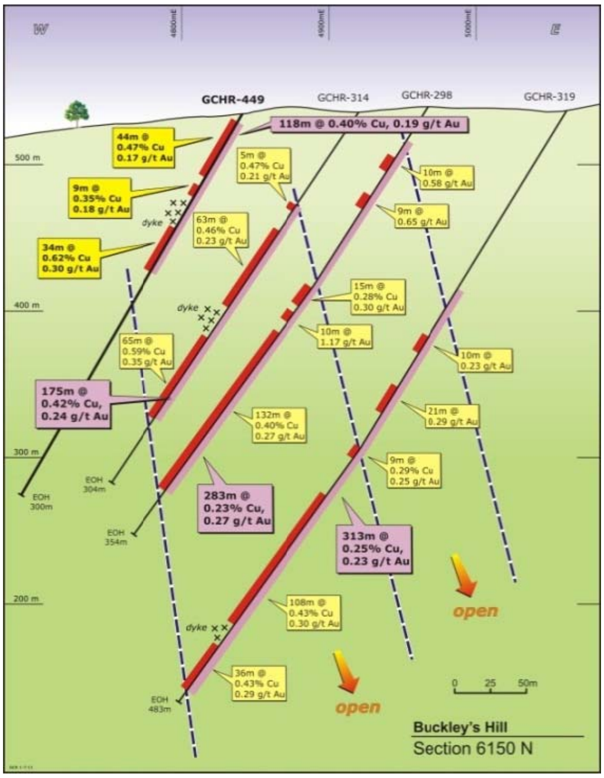


Figure 5. Buckleys Hill – major drill intersections, open at depth and along strike

Location maps with IP chargeability and resistivity plans are shown in the following diagrams with soil geochemistry results from Vale Head.

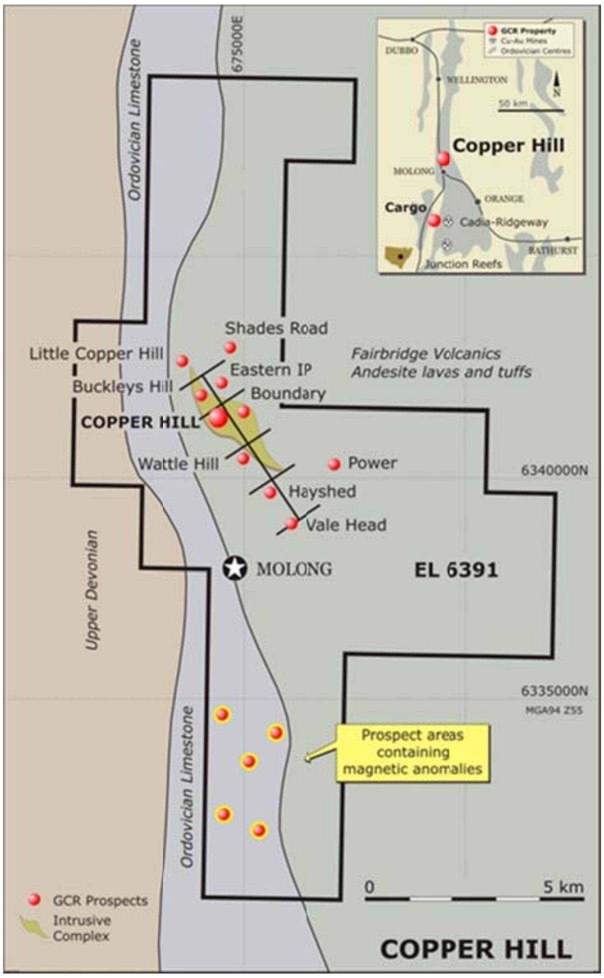


Figure 6. Copper Hill deposits and targets

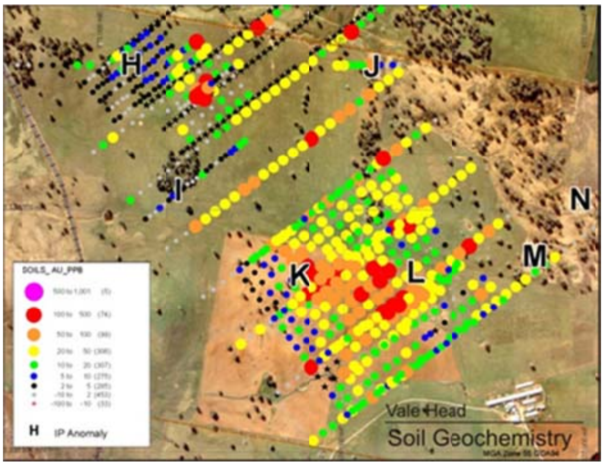
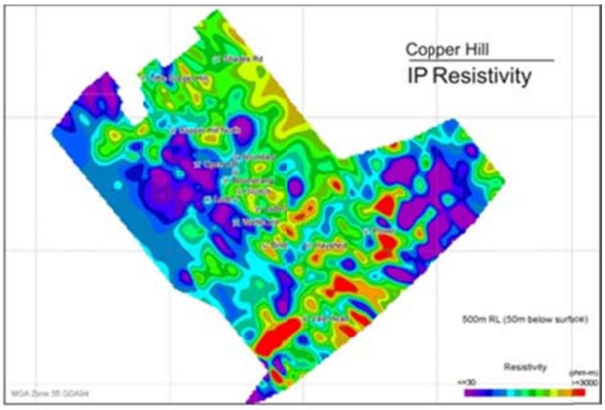
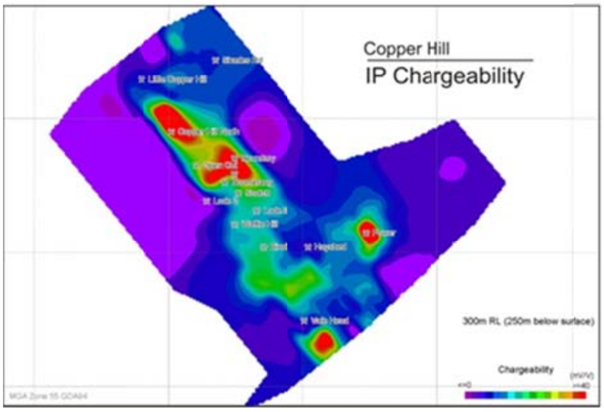


Figure 7. Vale Head, a next phase target area at Molong Project - Copper Hill





Figures 8a & b. Next phase target areas at Molong Project - Copper Hill.

CARGO GOLD PROJECT
NEW SOUTH WALES

Gold (Golden Cross 100%)

GCR's 100%-owned Cargo project is its flagship gold project and lies 18 kilometres west of Newcrest's Cadia-Ridgeway gold-copper mining operation (Figure 9). It is located within the Molong Volcanic Belt.

GCR became involved in the Cargo project in 1996 and undertook extensive geological studies which indicated the presence of a large, concentrically zoned, well-mineralised hydrothermal system, truncated on the west by a large fault. The Cargo host rocks are of a similar age and lie in a similar geological setting to those at Copper Hill.

The system is characterised by a core zone of intrusive syenite-monzonite and monzonite–granodiorite rocks, often brecciated, averaging about 0.15% copper with an outer arcuate zone of pyritic andesitic volcanic rocks containing radial quartz vein and sulphide gold-bearing systems (Figure 9). The systems locally extend over substantial widths with anomalous gold grades. Recent drilling has intersected intervals of 67m @ 1.15 g/t gold, 63m @ 1.15 g/t gold and 55m @ 1.27 g/t gold in three core holes. Single metre intervals of over 1 ounce of gold per tonne have been recorded.

Based on recent and previous drilling results, GCR reported to the ASX on 21 May 2012 a near-surface estimate of 283,000 ounces of gold within a 10.4 million tonne resource at an average grade of 0.84 g/t gold using a 0.5 g/t gold cut-off.

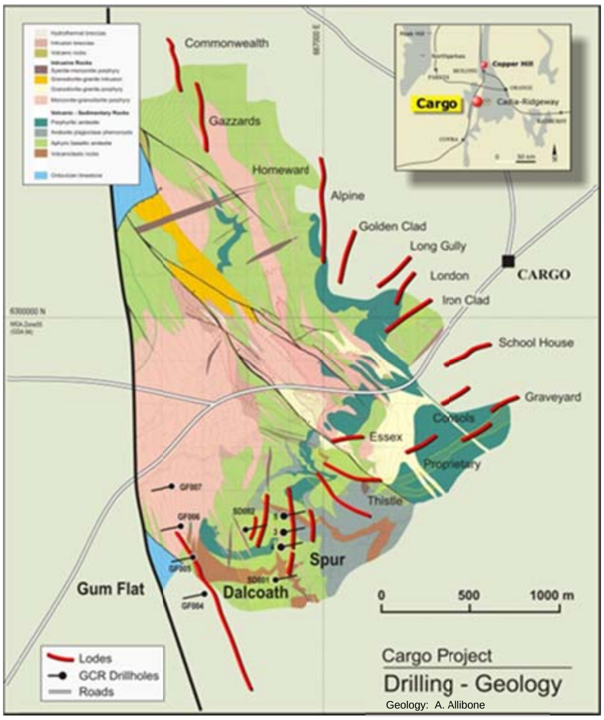


Figure 9. Cargo Location and Geology showing quartz vein – sulphide 'lode' zones in red.

Whilst the total resource is low grade and, at this time, economically marginal, the potential to establish a mining operation here has encouraged the company to initiate a program of metallurgical test-work and to continue infill and step-out drilling.

Spur-Dalcoath

In early 2012, Golden Cross completed a drilling program of three twin PQ/HQ core holes (SD003, SD004, SD005 shown in Figure 10) to verify previous reverse-circulation drilling results from the Spur-Dalcoath zone within the Cargo Prospect. The results have allowed GCR to define a near-surface gold resource of 283,000 ounces (Table 2). Total drilling for the year involved eight holes for 932 metres of core.

The recent Cargo drilling intervals, using a 5g/t cut-off grade, are provided below, followed by a summary of the resource estimate.

Drill Hole SD003 on section line 4275N:
Twinning previous hole CRC6 (54m @ 1.19g/t gold from 4m).

- 10m @ 0.67g/t gold from 5m
- 7m @ 0.5g/t gold from 19m
- 30m @ 1.89g/t gold from 33m

Drill Hole SD004 on section line 4225N:
Twinning previous hole JG074 (10m @ 0.56g/t Au, 14m @ 0.54g/t Au, and 43m @ 1.22g/t Au from 41m). SD004 returned a wide mineralised zone of 55m @ 1.27g/t Au from 53m, with the following significant intercepts:

- 6.3m @ 2.82g/t Au from 59.7m
- 13m @ 3.99g/t Au from 69m
- 3m @ 1.06g/t Au from 102m

Drill Hole SD005 on section line 4325N:
Twinning previous hole JG057 (20m @ 0.78g/t Au, 11m @ 1.54g/t Au, and 14m @ 1.08g/t Au). SD005 intersected a 67m mineralised zone @ 1.15g/t Au, compared with a 59m mineralised zone @ 0.85g/t Au in JG057. SD005 returned:

- 26m @ 1.87 g/t Au from 0m
- 12m @ 0.97 g/t Au from 29m
- 13m @ 1.08 g/t Au from 48m

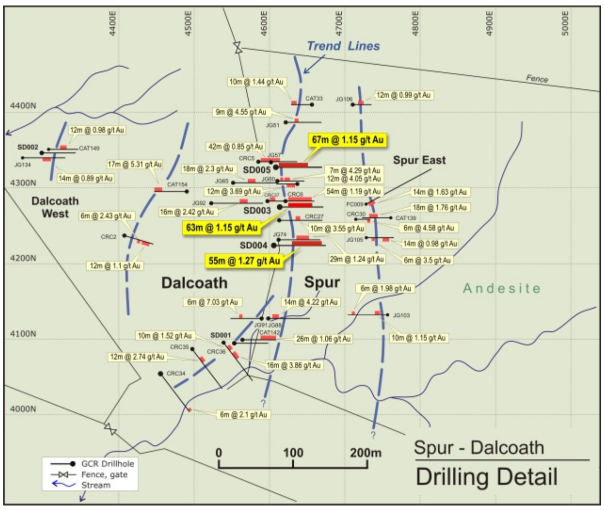


Figure 10. Spur-Dalcoath Prospect showing mineralised quartz-sulphide system and drill hole locations (including SD003, SD004 and SD005).

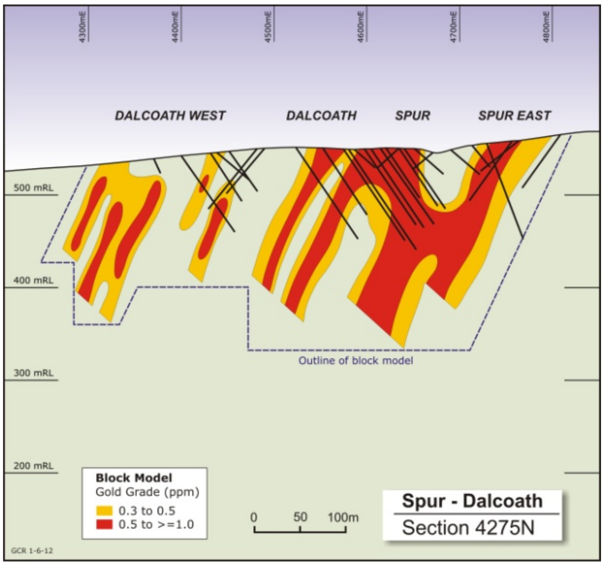


Figure 11. Spur-Dalcoath Prospect Cross section showing block model outlines

Resource Estimate

Potentially economic mineralisation at Cargo extends from the surface to a depth of 180m over a 400m strike length in a series of quartz-sulphide zones, and remains open at depth. Based on 121 drill holes for a total of 13,865 metres, H&S Consultants has estimated that 283,000 ounces of gold are contained within a JORC Inferred Resource of 10.4 million tonnes, at an average grade of 0.84g/t gold using a 0.5g/t gold cut-off (Table 2). An Inferred Resource of 4 million tonnes at 1.1g/t gold containing 154,000 ounces gold is created using a 0.8 g/t gold cut-off grade (Table 2a). Initial metallurgical testing has yielded recoveries of up to 94% with an average of 82%.

Based on the Golden Cross drilling results, at a 0.5g/t gold cut-off, there is additional exploration potential estimated to contain 100,000 to 200,000 ounces in 5 - 7 million tonnes within a grade range of 0.7 to 0.9g/t gold. Other quartz vein–sulphide systems remain to be tested

Gum Flat Prospect

The Gum Flat eluvial/alluvial deposits were drilled by Shell Metals between 1985 and 1987 using mostly RAB drilling with some RC and limited core drilling. Better results included 18m @ 1.48g/t gold, 13m @ 2.41g/t gold, 13m @ 1.81g/t gold, and 17m @

1.42g/t gold. At the northern end of Gum Flat, drilling into the underlying altered andesitic basement rocks intersected 7m @ 1.09g/t gold and 26m @ 1.06g/t gold confirming the potential for both eluvial/alluvial and hard rock gold deposits at Gum Flat.

In 2012 Golden Cross Resources drilled four large-diameter PQ & HQ core holes at Gum Flat; GF004 & 005 into gold-bearing eluvial sediments west of the Gum Flat Fault and holes GF006 & 007 into the underlying bedrock andesite east of the Gum Flat Fault to provide geological data for planning the follow-up drilling, essential for later definition of JORC-compliant resources.

Numerous individual assays greater than 1 g/t gold confirmed the tenor of historical intercepts, but results showed considerable variability in the eluvial material. The underlying bedrock andesite continues to yield +0.5 g/t gold down-dip from shallow historical drilling. The best intercept in this material was in drill hole GF007 which intersected 18m @ 0.53g/t gold from 113m down-hole

CANBELEGO PROJECT GROUP NEW SOUTH WALES

Copper, Lead, Zinc, Gold
(Golden Cross 100%)

Burra Copper

Golden Cross 100%

The Burra Project [EL 7389] is located 40km east of Cobar in the highly prospective Canbelego-Mineral Hill Rift Zone. (Figure 12) Mineralisation at Burra is both stratigraphically and structurally controlled. The two key prospects, the Burra Mine and Block 51, lie within a basal sequence of Devonian sediments and volcanics, above an unconformable contact with Ordovician Girilambone Group sediments. Although the Burra Fault is a major NW-SE trending structure in the Burra area, ore lenses are more closely related to smaller-scale cross-cutting structures including faults and fracture zones and possibly fold hinges. The Burra Mine and Block 51 mineralised zones are characterised by coincident magnetic anomalies and copper-in-soil geochemical anomalies (Figure 13), and a third magnetic anomaly, untested by drilling, lies further to the southeast. A significant Virtual Transient Electro-Magnetic (VTEM) anomaly has been defined beneath the Burra Mine within the adjacent volcanics (Figures 19 & 20).

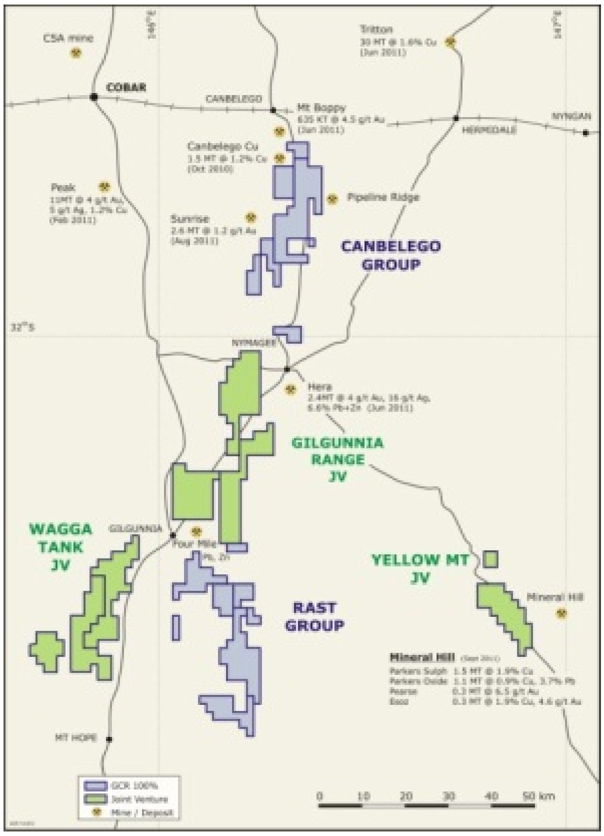


Figure 12. Canbelego-Nymagee tenements and joint ventures

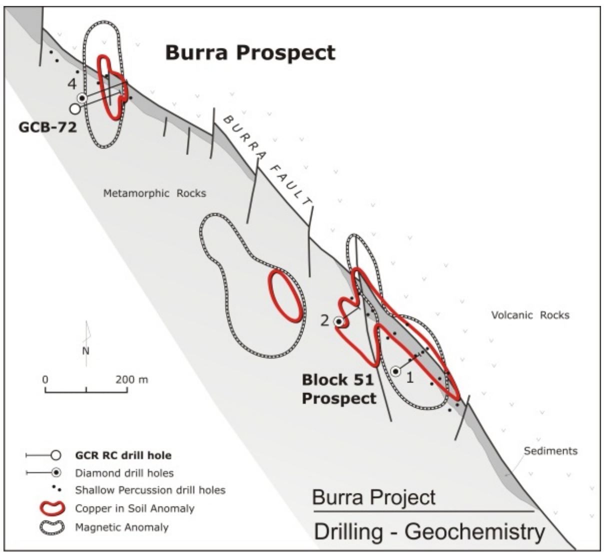


Figure 13. Burra Project, location and initial GCR (historical) drilling sites and results

The Burra Project has good potential for the discovery of Cobar-style deposits, with copper and lead-zinc mineralisation with gold/silver credits intersected in most drill holes. There are sufficient ore grade intercepts at the two key prospects to remain optimistic that economic lenses may exist at depth. The lode geometry is complex, but encouraging copper intersections have been found over a strike length of 200 metres, and the VTEM survey has located a prominent electromagnetic conductor at depth below all previous drilling at the Burra copper mine (Figures 19 & 20). The coincident nature of the airborne magnetic anomaly and the VTEM conductor at Burra is typical of the geophysical expression of several Cobar-style deposits.

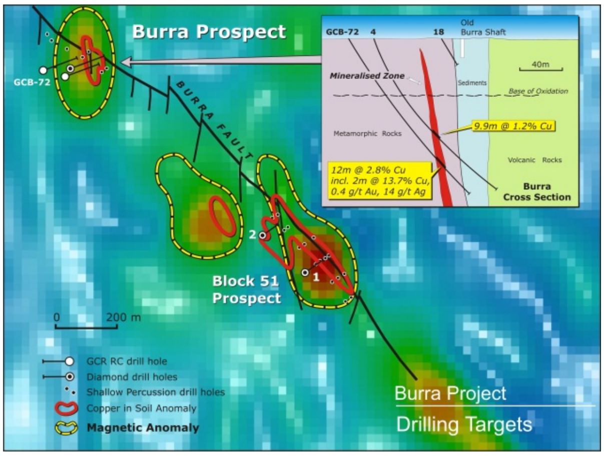


Figure 14. Burra Project: Composite target plan and subsequent drill holes draped on airborne magnetics

Burra Prospect

The historic Burra Copper Mine recorded minor copper production in the late 1880's. Drilling programs in 2008 and 2009 followed-up earlier intersections achieved by Golden Cross in 2004, including 10m at 3.3% copper from 138m, including 2m at 13.7% copper.

The 2008 drilling program at the Burra copper prospect intersected significant sulphide mineralisation grading up to 6.45% copper (see Table 1 and Figures 15, 16 & 17):

- GCB 156 - 4m @ 1.25% Cu from 57m down-hole
- GCB 158 - 3m @ 2.84% Cu from 147m down-hole including 1m @ 6.45% Cu from 147m
- GCB 158 - 4m @ 1.32% Cu from 154m including 1m @ 3.36% Cu from 154m

The 2009 drilling program totalled 1,530m comprising 827m of RC and 703m of HQ cored tails. The six holes were designed to test for extensions of sulphide mineralisation intersected by previous RC and core drilling. The results shown in Table 1 confirm a 200m long lode system with steeply plunging shoots including multiple economic-grade intersections with up to 10m grading about 1% copper.

The 2009 intersections indicate down-dip potential, with the mineralisation showing typical Cobar-style characteristics. Future drilling will be directed to test the zone at depth, as Cobar-style ore lenses generally have short strike lengths but deep extensions.

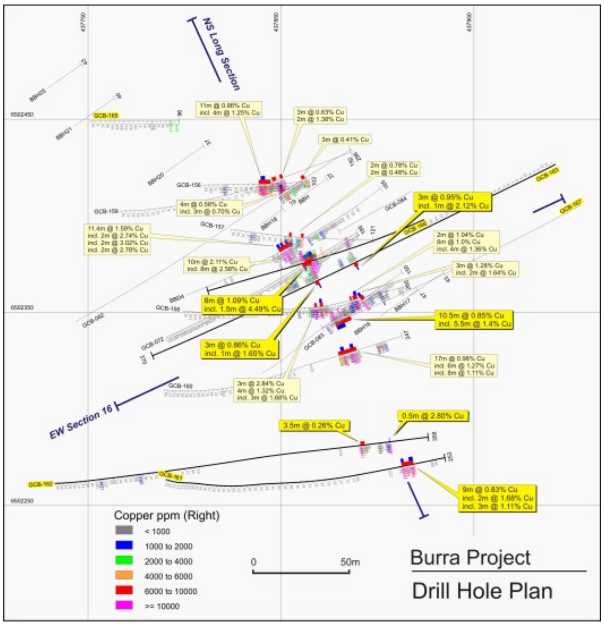


Figure 15. Burra Drillhole location Plan

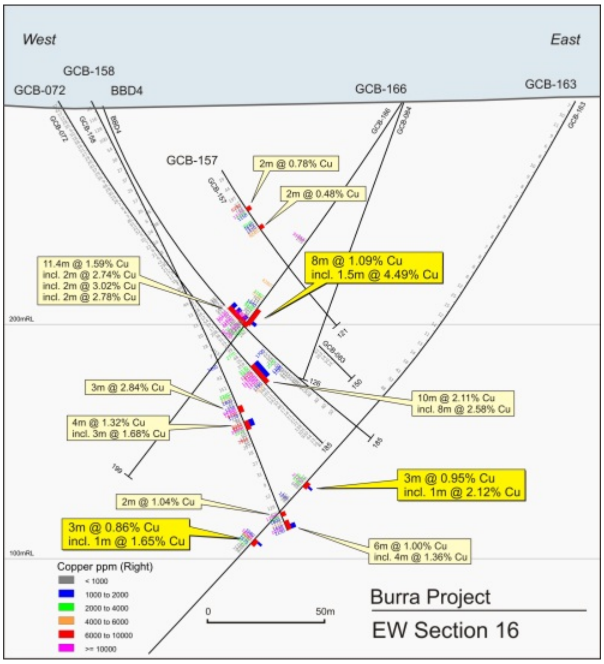


Figure 16. Burra Cross Section

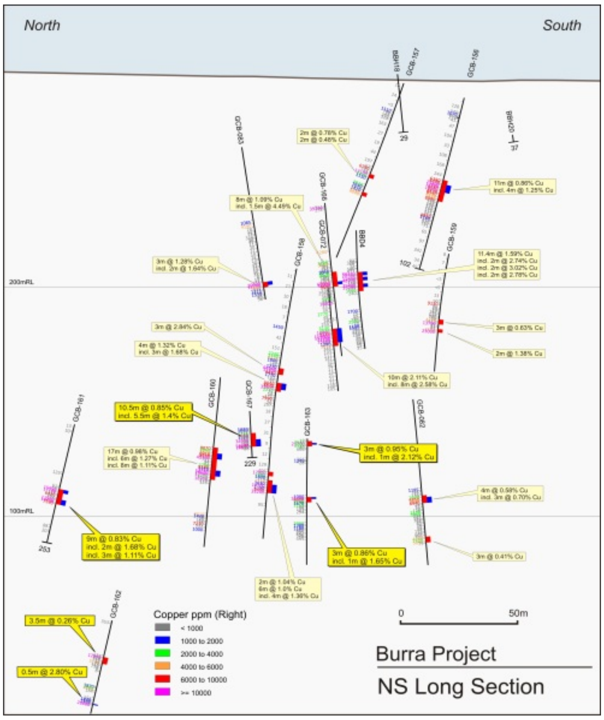


Figure 17. Burra Long Section

Block 51 Prospect

The Block 51 prospect is located 1km to the southeast of the Burra prospect, with mineralisation extending NW-SE for 400m.

In December 2009, five RC holes were drilled at Block 51. Important intersections included:

- GCB 169: 12m @ 0.9% Cu from 30m down-hole including 2m @ 2.45% Cu, and 3m @ 0.8% Cu from 52m down-hole,
- GCB 170: 3m @ 0.8 % Cu from 46m down-hole,
- GCB 172: 3m @ 0.8% Cu from 95m down-hole

Each of these copper [+ Au, Bi, As] intercepts may be indicative of stronger mineralisation at depth, typical, once again, of Cobar-style deposits. In addition, a 2011 review of historical geochemical data identified zones of elevated copper-in-soil for follow-up sampling at the Geweroo prospect and just south of Block 51.

Geophysical exploration at Burra

In January 2010, a heliborne VTEM (Virtual Transient Electro-magnetic) survey was conducted in collaboration with neighbouring tenement holders. Of a total of 566 line kilometres, 107.7 line-kilometres were flown at a 200m line spacing over the Burra Project area with a further 39.8 line-kilometres of 100m spaced infill lines. In addition, Golden Cross collaborated with an adjoining explorer in 2011 to conduct a close spaced aeromagnetic survey, which complemented the VTEM survey, resulting in an improved dataset for targeting purposes.

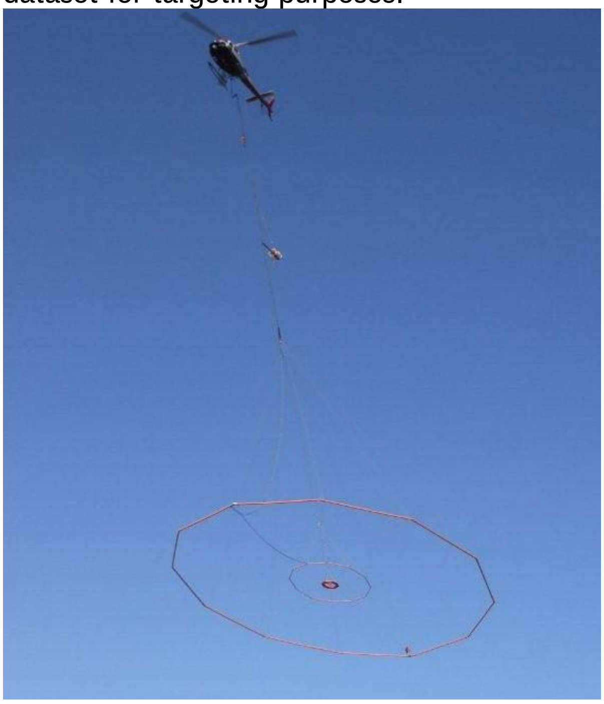


Figure 18 Helicopter-borne VTEM survey over the Burra Copper Mine.

Re-processing of the airborne VTEM and magnetic data has yielded anomalies requiring follow-up work. In particular, a prominent VTEM anomaly which lies beneath the Burra copper mine workings and below the depth of GCR's current drilling has been identified (see Figures 19 and 20).

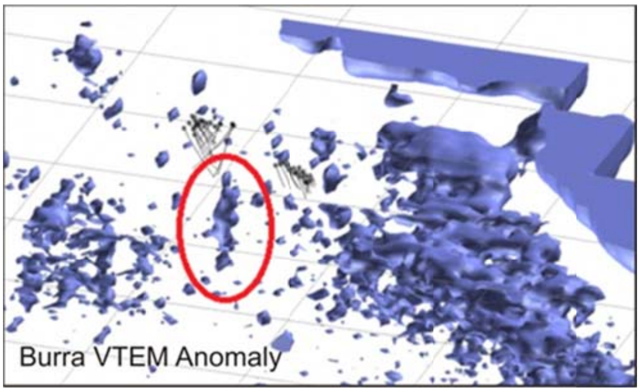


Figure 19. Looking northwest - Burra Project showing Burra Mine and Block 51 drill traces with 3D VTEM responses (in blue). Note: Vertical VTEM anomaly (red oval) extending below Burra Mine drill holes

The Burra Mine prospect shows all the characteristics of a typical Cobar-style copper (lead-zinc-gold) deposit: short strike length/narrow width, but with potential for great depth extent. The VTEM conductor extends from approximately 300m to 800m below the surface and is shown in the perspective view below. It may be caused by a Cobar-style deposit and presents GCR with an exciting, but high cost drill target.

Golden Cross plans to advance the Burra Project with follow-up ground EM, possibly more IP and then further drilling of the existing mineralisation, the new VTEM conductor at Burra and at Block 51. Additional geochemical sampling is planned at the southeast magnetic anomaly. If a discovery can be made at Burra there are several potential development options, with a number of operating mines and mills within a 75 km radius from Burra at Cobar and near Girilambone.

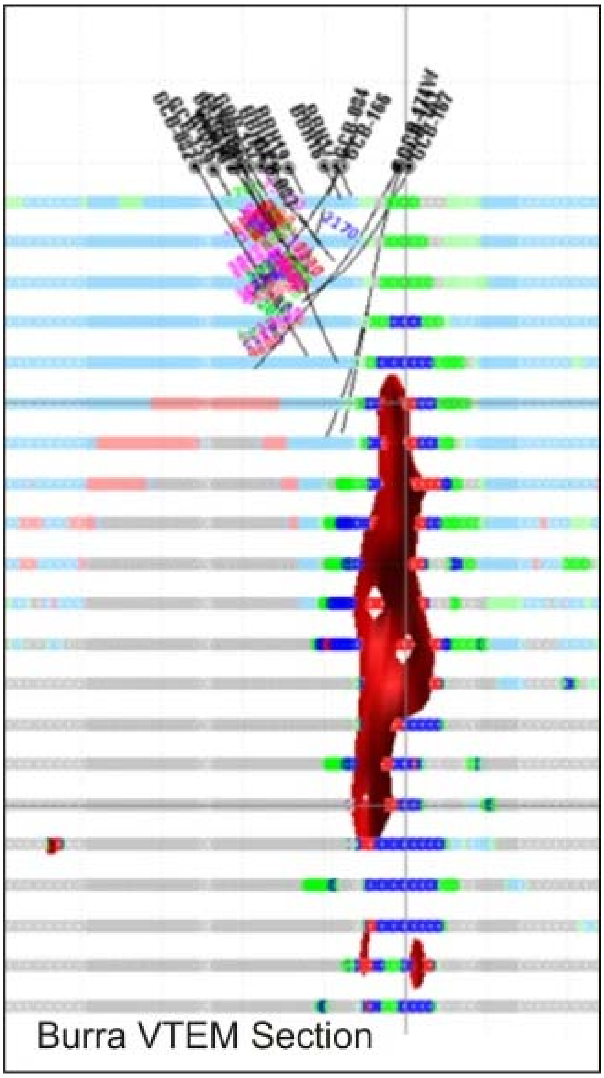


Figure 20. Cross-section showing previous drilling with new VTEM anomaly (in red) below the Burra Mine

Rosevale

The Rosevale tenement (EL7097) is located approximately 10km north of the old copper mining town of Nymagee. The region is prospective for Cobar-style precious-base metal deposits in favourable structural and stratigraphic settings as evidenced by the nearby Nymagee copper mine and Hera and Hebe polymetallic deposits.

One such favourable structural setting is the fault prism in Figure 21 showing the prism bounded to the northeast by a splay of the Coonara Fault (shown as a series of dotted dark blue lines), and to the southwest by the Rookery Fault system (shown as dashed dark blue lines). A number of splays off the Rookery Fault transect the prism (also shown as dashed dark blue lines).

There are a number of old workings and prospects at Rosevale which occupy positions on or adjacent to the interpreted fault splays. These include M^{c}Laughlins Tank copper-lead mine, Prospect 19 gold, Box Tank copper-lead workings and The Gap uranium prospect which is on the contact between the Silurian Nymagee Igneous Complex and Ordovician basement Girilambone Group.

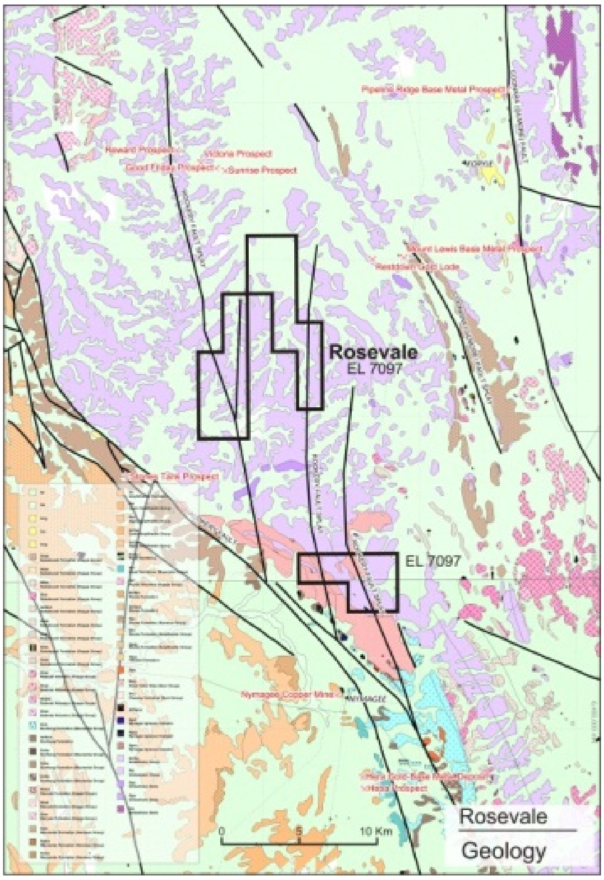


Figure 21 EL 7097 Rosevale Geology.

Figure 22 shows discrete magnetic targets displayed on a reduced-to-the-pole (RTP) aeromagnetic image. Of interest is an intense, discrete magnetic low at the Roswell prospect which may be due to a body of reversely polarised pyrrhotite with potential for base metals and gold mineralisation (Figure 22).

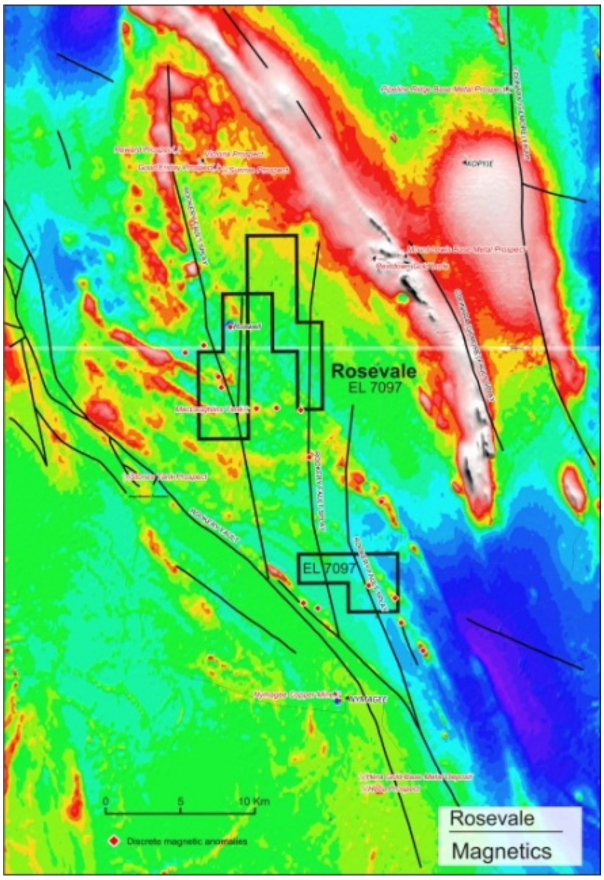


Figure 22. EL7097 regional aeromagnetics at Rosevale.

RAST PROJECT GROUP
NEW SOUTH WALES

Copper, Lead, Zinc, Gold
(Golden Cross 100%)

The Rast Group of tenements covers the eastern margin of the Rast Trough in the southern Cobar Basin south of Nymagee. It includes the following tenements:

- Burthong Creek - EL7485
- Delaneys Tank - EL7322
- Four Mile South - ELA4865
- Guapa Tank - EL7051
- Kilparney - EL6852
- Pine Ridge - EL6753
- Rast - EL6878

This part of the Cobar Basin is relatively under-explored in comparison to other areas in the Cobar district and is considered to be prospective for Cobar-style gold-base metal deposits in favourable structural-stratigraphic settings.

Burthong Creek

Burthong Creek (EL7485) is located about 45 km SSW of Nymagee, and covers an area approximately 9km^2.

In the tenement area, the contact between the Burthong Formation (shallow water sediments) and Shume Formation (deep water sediments) is considered to be a prospective stratigraphic location for mineralisation (Figure 23). This contact between the deep water and shallow water sediments hosts the Hera lead-zinc-gold deposit 30 kilometres north, and the Mount McKellar lead-zinc occurrence three kilometres south of Burthong Creek.

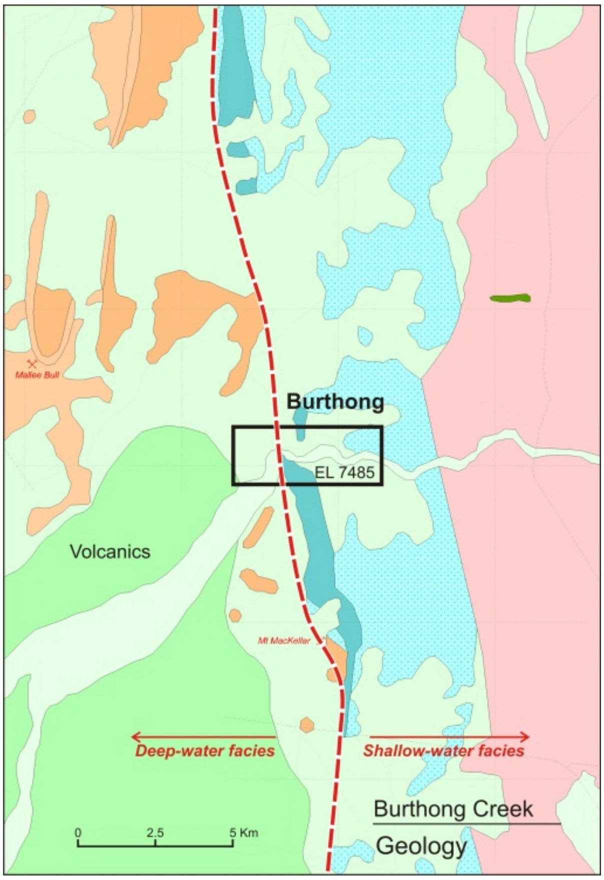


Figure 23. EL7485 Burthong Creek geological setting

The exploration targets for Burthong Creek include a series of magnetic anomalies that are located on or adjacent to the prospective contact positions between the Burthong Formation and Shume Formation sediments.

Golden Cross has been conducting data reviews including evaluation of regional geophysical data and will include EL7485 in future airborne EM work planned over adjoining tenements. This work will assist in delineating target areas for future exploration.

Delaneys Tank

Delaneys Tank (EL7322) is located approximately 4km southeast of the locality of Gilgunnia (Figure 24) and immediately south of the Mallee Bull base metal discovery near the historic workings at Four-Mile Goldfield.

The exploration targets for EL7322 are Cobar-style gold-base metal deposits, inferred to be situated where structures related to the Mount Hope Lineament (northeast trending line in Figure 24) intersect the dominant cleavage (approximately northerly striking) and at favourable sites near the prospective stratigraphic contact position between the Burthong Formation and the Roset Sandstone.

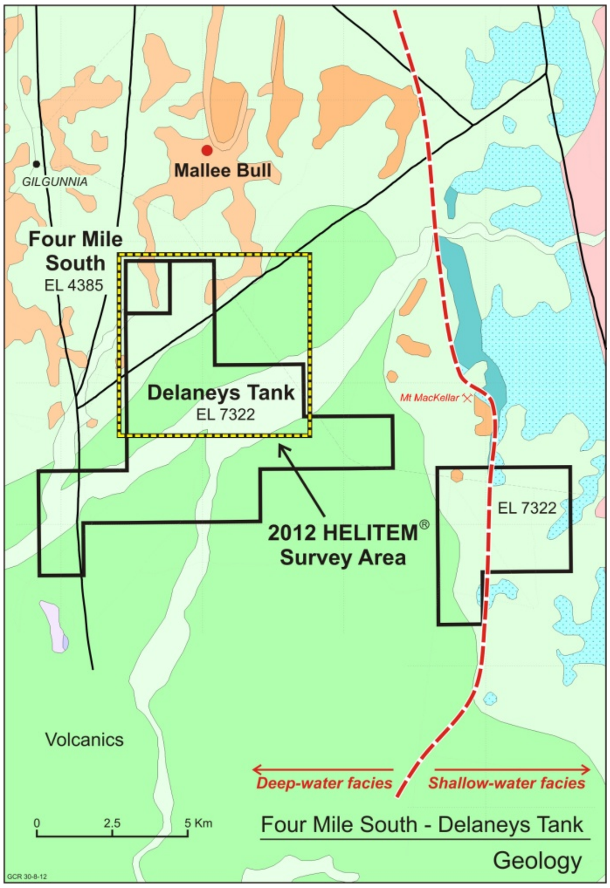


Figure 24. EL7322 Delaneys Tank & ELA4865 Four Mile South tenement geology showing new HELITEM® Survey Area

Exploration programs to date have included the drilling of two lines of air-core holes to test magnetic anomalies caused by channel iron deposits where geochemical anomalies, particularly for gold, may be enhanced.

Four Mile South

The Four Mile South (ELA4865) application was lodged following the recent discovery of lead, zinc and copper mineralisation four kilometres north at Mallee Bull. This discovery has been attributed to a semi-coincident airborne EM and magnetic anomalies and subsequent down-hole EM surveys.

GCR will fly a 300 line-kilometre HeliTEM survey in Q3-2012. Interpreted conductivity targets are to be followed up by surface geochemical sampling and/or air-core drilling in conjunction with adjoining tenements.

Guapa Tank

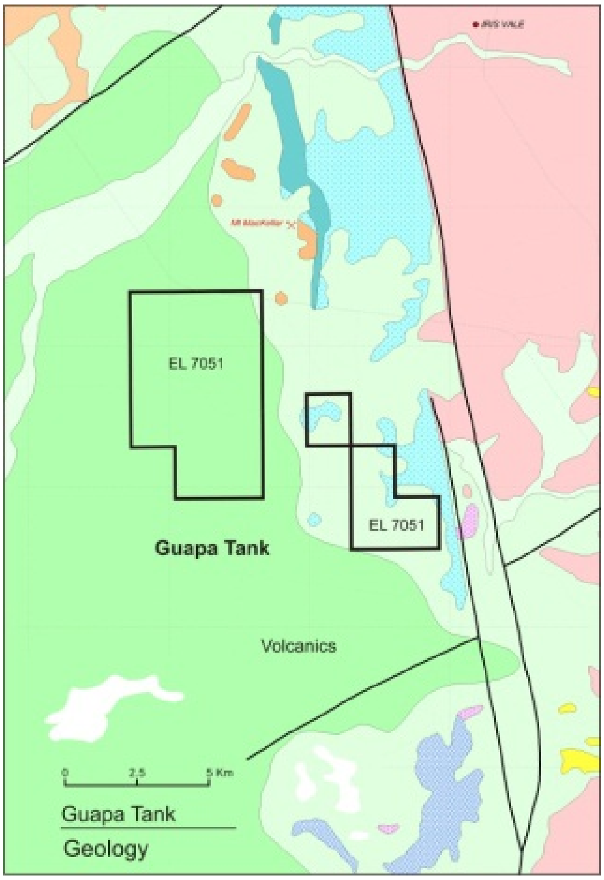


Figure 25. Guapa Tank EL7051 geology

Guapa Tank (EL7051) is located about 48 km southwest of Nymagee. The structural setting created by the gradational change from deep water sediments (Lower Amphitheatre Group) in the west to shallow water sediments (Burthong Formation/Roset Sandstone) in the east (Figure 25) continues. In this setting, base metal depositional sites may be created due to the competency contrast between the deep and shallow water facies allowing differential deformation to occur during compressional structural events. The zone is shown as a north-south dashed black line in Figure 26.

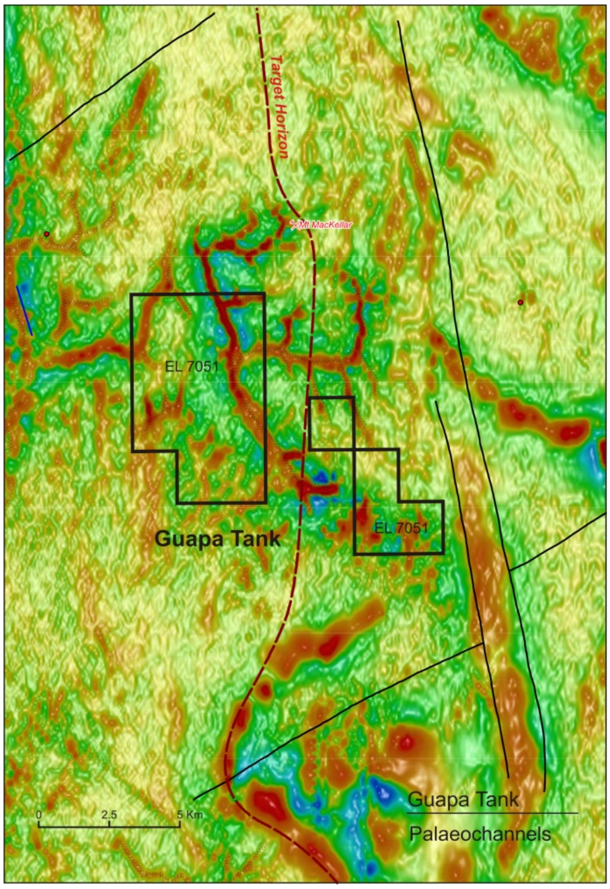


Figure 26. Guapa Tank EL7051 – reduced-to-the-pole magnetics showing palaeochannels and the prospective base metal target facies change boundary (black dashed line).

Interpretation of magnetic signatures confirmed that the palaeochannels generally have strongly magnetic, dendritic patterns that reflect maghemite content, and are different in character to the distinct anomalies in the south of Figure 26 - an image of reduced-to-the-pole (RTP) airborne magnetic data. See also Figure 28, Pine Ridge.

A 25 hole air-core drilling program, completed in November 2009, included 6 air-core holes (RSTFE 037-042) totalling 512m in the Guapa Tank tenement. The drilling primarily targeted palaeo-channel iron deposits and base of channel placer deposits but also extended into channel basement and sides to test for gold and base metal anomalism.

Kilparney

Kilparney (EL6852) is located 22 kilometres southeast of Gilgunnia and 65km southwest of Nymagee. The tenement was acquired to explore a discrete and obvious magnetic high (Figure 27). The geological setting at Kilparney shows similarities with that at the Mt Allen-Double Peak prospects located some 20km further southwest. At Mt Allen, gold-copper-silver mineralization is associated with massive magnetite-hematite bodies and magnetite-pyrite bearing siltstones at the contact with volcanics. Previous attempts to drill the Kilparney anomaly have met with technical drilling problems which can now be overcome.

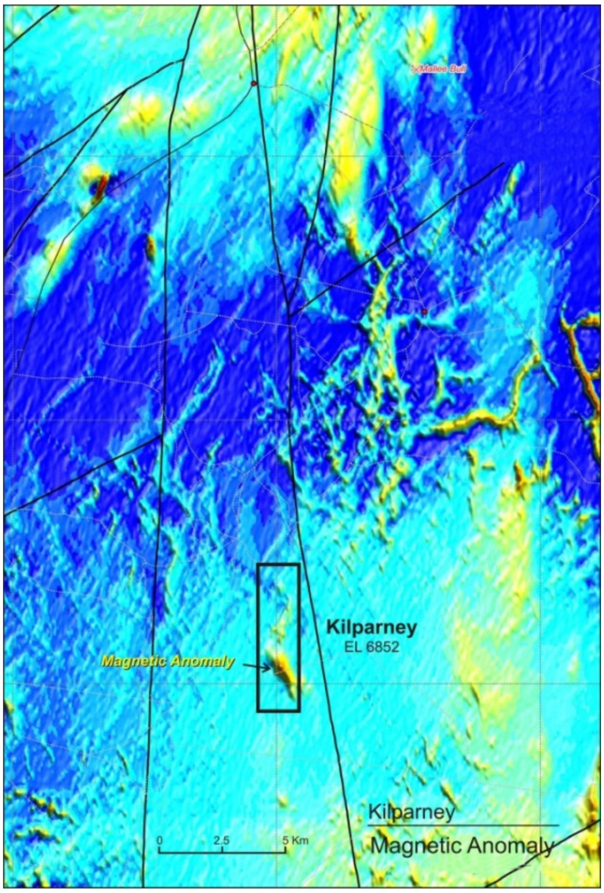


Figure 27. EL6852 Kilparney tenement showing the Kilparney Magnetic Anomaly

Pine Ridge

Pine Ridge (EL6753) is located approximately 27 km northeast of Mount Hope. The exploration targets are Cobar-style precious-base metal deposits. Recent exploration at Pine Ridge consisted of vegetation geochemical sampling, air-core drilling, and a VTEM airborne geophysical survey.

Favourable lithological horizons include:

- The facies change from shallow water (Burthong Formation) to deep water sediments (Crossley's Tank Formation), displayed as a red dashed line in Figure 28.

- The basal contact between Devonian shallow water sediments (Burthong Formation) and Ordovician basement rocks.

- The contact between deep water sediments (Crossley's Tank Formation) and volcanics (Ural Volcanics)

Reconnaissance reverse circulation air core drilling at EL6753 in the year to April 2011, consisted of three holes (RASTFE 043-045) for a total of 257m, undertaken in a traverse of 200m spaced vertical holes. The drilling was completed as part of a program over all the Rast Group tenements targeting prominent magnetic palaeo-channel networks and underlying basement rocks for geochemical testing.

Palaeo-channel air-core samples returned Fe values in the range 10-15%, while the magnetic fraction returned Fe values up to 28.3%Fe. Bedrock values show low level gold anomalism up to 29ppb Au, and elevated cobalt values peaking at 245ppm. The elevated cobalt values were attributed to manganese scavenging, but cobalt and gold remain of interest for further work.

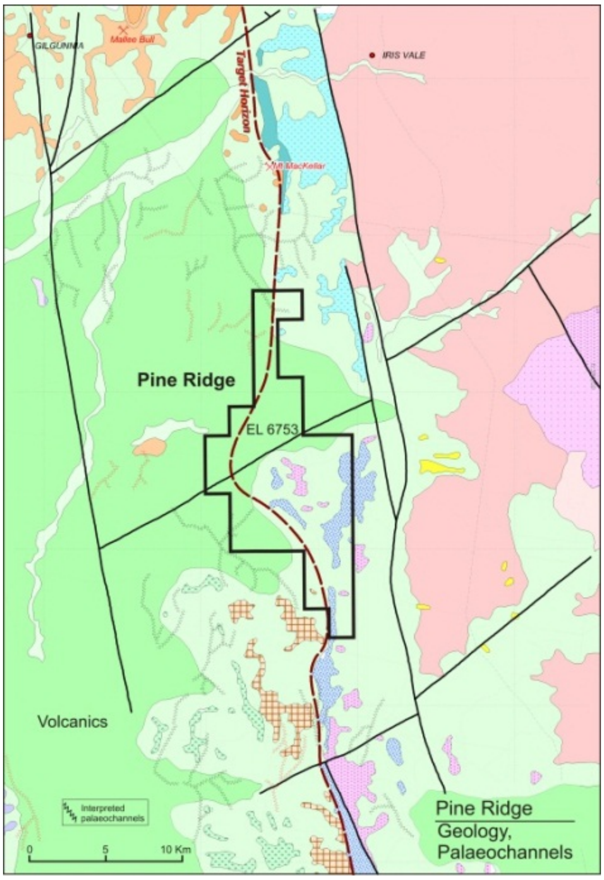


Figure 28. EL6753 Pine Ridge EL and geology

Vegetation sampling targeted the C3 magnetic anomaly, and analysis for gold was comparable with the down hole values in air core drilling, with a maximum value of 3.4 ppb Au within a +1ppb zone. Further infill sampling and evaluation is required to explore this result.

In 2010, Geotech Ltd flew a 385 line-kilometre VTEM survey at 200m line spacing over the interpreted prospective base metal target horizon which runs through the Rast Group of tenements. The survey extended from the adjoining eastern block of EL7322 Delaneys Tank, southwards along strike into EL6753 Pine Ridge with minor overlap on the western side into the west block of EL7051 Guapa Tank. Results are being analysed to identify potential drill targets.

Rast

Rast (EL6878) is located between the towns of Nymagee, Euabalong West and Mount Hope (Figure 29).

Prospective stratigraphic locations within EL6878 include:

- Boothumble Formation (shallow water sediments)/ Crossley's Tank Formation (deep water sediments) contact position
- Crossley's Tank Formation (sediments) Ural Volcanics contact position
- Mount Hope Lineament - favourable structural focus

The exploration targets are Cobar-style gold-base metal deposits, located on or adjacent to the prospective contact positions between the Boothumble Formation, Crossley's Tank Formation sediments and the Ural Volcanics.

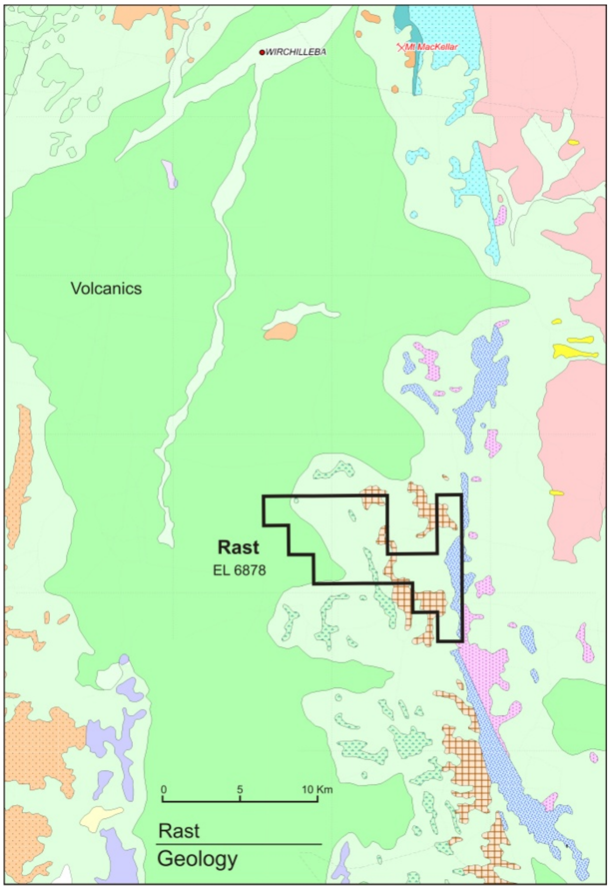


Figure 29. EL6878 Rast regional geology (1:100 000)

Developments at Mallee Bull and other nearby deposits such as Hera, the newly discovered extensions to the Nymagee Copper Mine, new mineralised zones at Mineral Hill and the plans to re-open the Mount Boppy Gold mine have generated considerable interest in this region. GCR has a dominant land position here in its own right and with its joint venture partner, MMG, in the Wagga Tank & Gilgunnia Range joint ventures.

GAWLER CRATON IOCG EXPLORATION SOUTH AUSTRALIA

Copper & Gold
(Golden Cross 100%)

Golden Cross holds five tenements within the northern Gawler Craton in South Australia. The tenements cover several structural domains lying north of the highly prospective Olympic Domain, which hosts world-class iron-oxide-copper-gold-(uranium) [IOCG-U] deposits such as Olympic Dam and Carrapateena. To the north, the Mount Woods Inlier contains the Prominent Hill mine and underlies two of GCR's tenements, Warriner Creek and Codna Hill.

Gawler Craton IOCG deposits are characterised by extensive hematite-magnetite (iron) alteration and brecciation, and typically comprise disseminated chalcopyrite, chalcocite and bornite (copper) mineralisation with associated gold. Additionally, the deposits often contain significant uranium and rare earth elements (REEs). Figure 30 shows the locations of Golden Cross tenements and geophysical targets within them, as well as mines and prospects in the region shown by commodity.

Located within basement granites and volcanic rocks, these deposits are typically covered by several hundred metres of sedimentary rocks and consequently exploration techniques for this style of deposit are predominantly geophysical. Discrete magnetic and/or gravity anomalies have been identified within each of the Golden Cross tenements.

Golden Cross has been awarded a $75,000 drilling grant by the South Australian Department of Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) as part of an exploration drilling funding program known as the PACE Discovery Drilling initiative. It will see co-operative drilling of some of the priority geophysical targets. Additional work is now being undertaken to finalise access arrangements, so that drilling may commence as soon as practical.

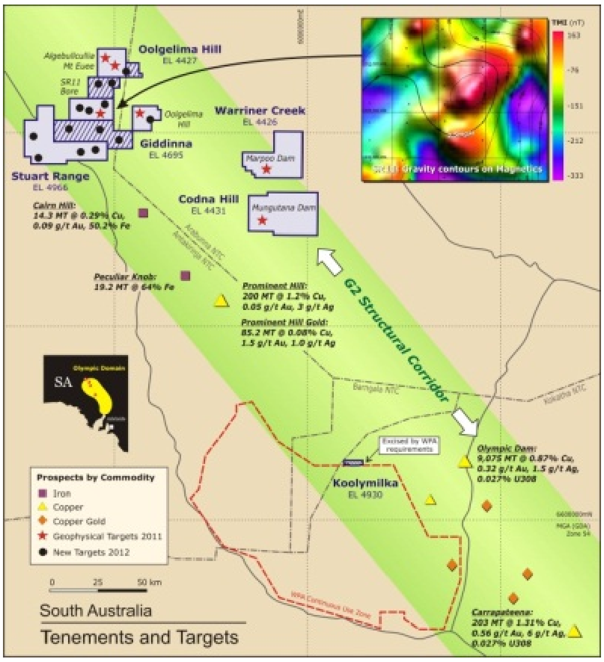


Figure 30. Golden Cross tenements and targets

Warriner Creek, Oolgelima Hill, Codna Hill, Giddinna and Stuart Range Projects

(ELs 4426, 4427, 4431, 4695 and EL4496)

The tenements are located within the Mabel Creek Ridge, Coober Pedy Ridge and the Mount Woods Inlier domains in the north of the Gawler Craton. The Mount Woods Inlier hosts the Prominent Hill copper-gold ore body which is located to the southeast within the G2 Structural Corridor.

The Mt Woods Inlier is a region of shallow Proterozoic basement rocks which underwent the same thermal and mineralising events that affected the Olympic Domain of the Gawler Craton, and IOCG-style alteration is widespread. The Prominent Hill deposit occurs on the southern margin of the Mt Woods Inlier.

Rock types comprise high grade Proterozoic metasedimentary rocks intruded by syn- to post-tectonic granitoids. The metasediments are characterised by an intense magnetic response in regional aeromagnetic data, which reflects a combination of magnetite-rich precursor sediments including BIFs, magnetite alteration and probably mafic intrusive bodies. The inlier is bound by major shear zones, the most prominent of which is the east-west Karari Fault Zone marking the break with the

Coober Pedy Ridge and Mabel Creek Ridge to the north. These two domains have not been explored to the same extent as those to the south but are known to contain critical elements such as Hiltaba associated granitoids and mafic intrusives.

An infill gravity survey was undertaken by GCR over select parts of EL 4427 Oolgelima and defined new magnetic/gravity targets adding to the five previous targets. Of particular interest is a prime drill target Anomaly SR11, which has a 1 mgal gravity intensity, and a footprint of 1.8 x 1.4 km with the long axis trending SW-NE, coincident with a pronounced magnetic anomaly as shown in Figures 31 and 32. A second gravity/magnetic anomaly lies just north of SR11, and both meet the criteria for defining IOCG-type mineralisation at depth.

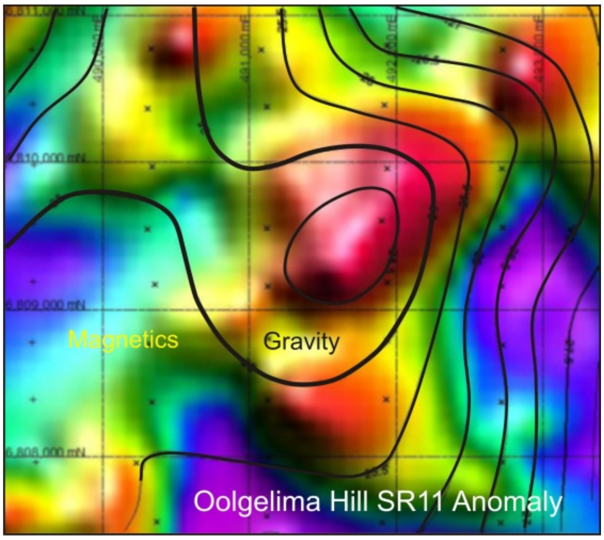


Figure 31. Gravity contours over regional magnetic (TMI) data with two coincident magnetic and gravity anomalies highlighted, Oolgelima Hill Project

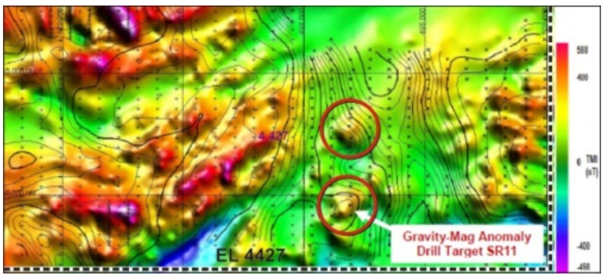


Figure 32. Coincident magnetic and gravity anomalies at SR11 Bore, Oolgelima Hill Project

Stuart Range Project

This newly granted EL 4496 is centred on the township of Coober Pedy, and targets have yet to be defined by ground magnetic and gravity surveys which will be matched with favourable structural locations identified from studies using regional data.

Koolymilka Project

The Koolymilka tenement (EL 4930) is 30km west of Olympic Dam Mine, in the north western section of the Olympic structural and mineralisation domains. The basement rocks include the Hiltaba Suite Granites and Gawler Range Volcanics that have been proposed as the source for copper-gold mineralisation in the province as well as providing the heat source to generate fluid flow, resulting in the extensive alteration events associated with IOCG-U mineralisation. The tenement occurs on the margins of the Andamooka Dome (an area of comparatively elevated basement topography), which hosts the Carrapateena deposit. The Koolymilka tenement was substantially reduced because much of the original application was within the Woomera Prohibited Area and became unavailable for grant.

QUEENSLAND COAL
Summary

In mid-2008, Golden Cross Resources (GCR) began evaluating developments in the supply of both coal and gas to global energy markets and concluded that the market would require additional sources of supply for both commodities. The company recognised various opportunities and was granted a number of Exploration Permits for Coal (EPCs) in the Surat Basin and the Clarence-Moreton Basin in south eastern Queensland. Due to changing priorities, in May 2012 GCR announced the sale of its Queensland Surat and Clarence-Moreton Basin coal tenements to an emerging Queensland-based coal explorer.

The company has maintained a portfolio of quality coal projects by taking up ground in the Eromanga Basin of south western Queensland and the Eromanga Basin is now the principal focus of the company's coal ambitions (Figure 33).

In December 2011, Golden Cross lodged three EPC applications over sections of the

Eromanga Basin west of Charleville and south of Blackall that were considered prospective for commercial coal deposits. The applications are named Baykool South (EPC 2896), Baykool Central (EPC 2897), and Baykool North (EPC 2898), and referred to collectively as the Baykool Project. There are no competing applications for these areas.

Figure 33. Location of Baykool tenements within the Eromanga Basin

The Queensland Government's Department of Natural Resources and Mines currently has a backlog of tenement applications to process and consequently these tenements are not expected to be granted until late 2012.

Preliminary reviews of water bores in the region indicate the presence of a shallow, 7-metre thick coal seam at Baykool North (Table 1).

GCR is investigating opportunities to place its coal assets in a dedicated coal company.

The Eromanga Basin is the largest of Australia's Jurassic to Cretaceous sedimentary basins, spanning over 1,000,000 km^2 in central Australia across Queensland, New South Wales, South Australia and the Northern Territory. It reaches a maximum thickness of 2,500m of Jurassic and Cretaceous rocks, and due to its size, stratigraphic correlations have been developed on a district rather than a basin-wide scale (Figure 34).

The Eromanga Basin's Cretaceous sequence includes the Hooray Sandstone, the Wallumbilla Formation, the Toolebuc Formation, the Allura Sandstone, the Mackunda Formation and the Winton Formation.

While some coal seams have been reported in the Hooray Sandstone and Mackunda Formation, it is the Winton Formation that is of most economic significance, containing coal seams formed in a paralic to non-marine environment. The Winton Formation is the youngest Cretaceous unit preserved in the Eromanga Basin and has been subjected to extensive erosion. This unit is typically 400m to 700m thick (maximum 1.2km), and typically contains low-to-medium ash, low sulphur, sub-bituminous thermal coals.

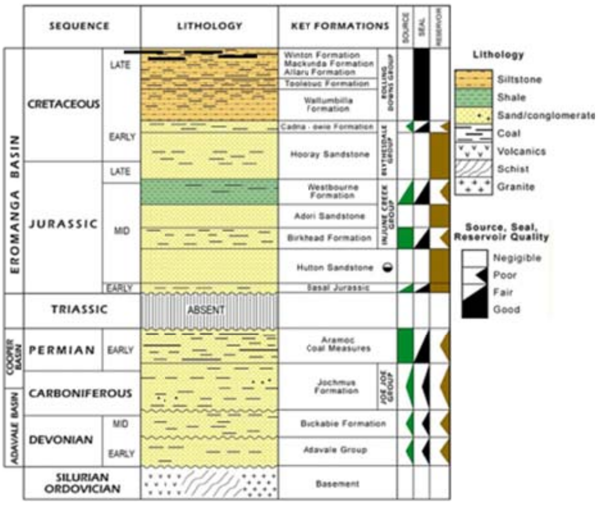


Figure 34. Stratigraphic column of the Eromanga Basin

The Baykool Project

The Baykool Project includes three EPC applications - Baykool South (EPC 2896), Baykool Central (EPC 2897), and Baykool North (EPC 2898). Located west of Charleville (Figure 33), they cover a total area of approximately 2,250 km^2, and are expected to be granted for a period of five years. These applications are located near the shallow eastern margin of the Eromanga Basin in a developing coal province. All of the area is now covered by granted EPC or applications.

The area is serviced by road and rail infrastructure to Brisbane Port, and could benefit from a proposed extension of the Queensland rail network to connect Chinchilla to the Gladstone Port coal terminal via Longreach.

To the west and north of the Baykool Project, Coalbank, East Energy Resources and International Coal have all announced potentially economic, inferred coal resources in the Winton Formation, of 1.3 Bt, 749 Mt and 728 Mt respectively. Coal has been intersected only 15m below the surface at East Energy's Blackall/Carlow deposit. Based on limited test-work, coals from the Winton Formation appear to be low-ash, low-sulphur, high volatile, low rank sub-bituminous coals, suitable for thermal power generation.

GCR has researched local water bore drill logs and noted coal occurrences and depths.

Coal is present within the Winton Formation underlying at least one of GCR's three applications for coal exploration permits (EPCA's) in the Eromanga Basin in central-west Queensland. A review of twenty-four water bores in the North Baykool EPCA show drillers' logs where coal has been recorded at shallow depths and, in some cases, over potentially economic seam thicknesses. The coal quality cannot be assessed from the logs but the results will direct the priority of drilling once the tenements are granted.

Water Bore #	From (m)	To (m)	Coal thickness (m)
11905	11.15	13.47	2.32
11905	21.18	21.74	0.56
11905	28.61	31.12	2.51
50445	21.73	21.34	0.61
50445	42.29	42.98	0.49
50454	9.27	16.70	7.44

Table 1. Baykool North, logged water bore coal seams.

The Baykool Central and South EPCA's have only six water bore drill logs within each tenement and the members intersected are not, according to the drill logs, coal bearing. However, the prospectivity of these tenements remains high given the size of the tenements (~800 km^2 each) and the shallow depth of the bore holes. There is substantial scope for additional exploration.

The area is serviced by good road and rail infrastructure (Figure 35), and is close to a proposed extension of the Queensland rail network to connect Jericho, 325 km to the northeast, to the Abbot Point coal terminal near Bowen. Recent coal discoveries in the Winton Formation have confirmed the potential of the Blackall-Charleville district to host potentially economic coal deposits and these are shown on the map below with the GCR application areas.

Based on the test work reported by other explorers in this part of the Eromanga Basin, Winton Formation coals appear to be low-ash, low-sulphur, high volatile, low rank sub-bituminous coals suitable for thermal power generation.

Consultants will be retained to manage the projects and design programs to undertake drilling programs. These programs will refine targets and provide initial evaluation of coal quality and seam thickness and perhaps provide clues to the UCG potential of the Baykool Project.

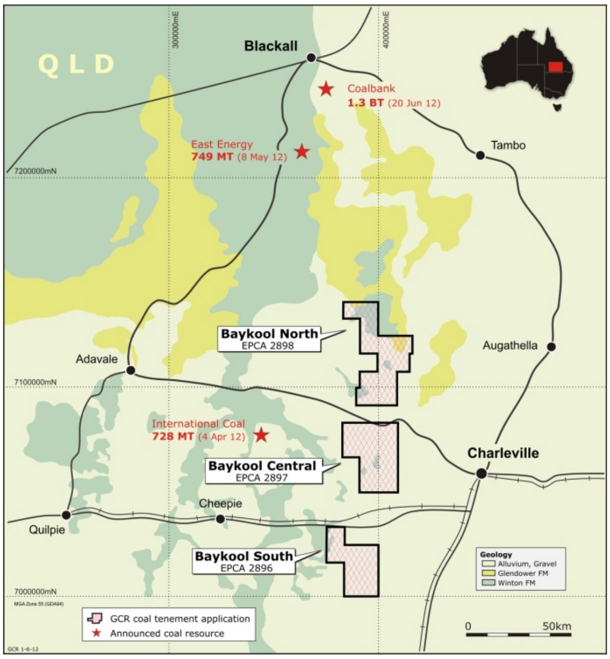


Figure 35. Baykool Project and nearby reported coal resources in the Eromanga Basin.

PANAMA

Porphyry Copper & Epithermal Gold
Golden Cross 100%

GCR's involvement in Panama has been further reduced after the Panamanian Government cancelled five of GCR Panama Inc's six Exploration Licence Applications in the Ngobe Bugle Comarca (Indigenous) Zone. GCR Panama (GCRP) is a wholly owned subsidiary of GCR and is not conducting active exploration in the country. However one application for a concession by GCRP is still current. The application areas were selected following a detailed review of geology, airborne geophysical data and a country-wide database of surface geochemistry which GCRP purchased in 2007. The application covers prospective ground with some geophysical and geochemical anomalies and is located south of the large Panamanian copper porphyry deposit of Petaquilla.

GOLDEN CROSS FARM-OUTS

Golden Cross has maintained a strategy of acquiring and exploring known mineralised systems. In fifteen years since listing, it has built up a valuable portfolio of base and precious metal projects. With the increased focus on Copper Hill over the past few years, maintaining the level of activity required to explore all tenements has not been possible and joint venturers have joined Golden Cross to progress these projects. Golden Cross has the right to retain useful equity in each project or dilute to a royalty interest.

Figure 36: Golden Cross Farm-Outs

Kempfield, Sunny Corner, and West Wyalong, New South Wales

Silver, Gold, Base Metals
(Argent Minerals Ltd has purchased Kempfield and is earning up to 70% in Sunny Corner and West Wyalong)

Argent Minerals Ltd listed on the ASX in April 2008. Argent was required to spend $4.461 million on exploration and development work to earn 70% equity in all three projects.

Kempfield
(Argent Minerals now 100%)

On 12 April 2011, Argent Minerals announced it had satisfied the expenditure condition on Kempfield by spending a total of $2.7 million and progressed to a 70% interest in the prospect. In September 2011 GCR's 30% interest was sold to Argent for $1 million cash and $1 million in Argent shares. A further $1 million is due to Golden Cross on decision to mine, in cash or shares, at Argent's election.

Sunny Corner
(Argent Minerals 51%, earning up to 70%)

On 31 May 2011 Argent announced it had earned 51% after expenditure of $534,000 by 1 June 2011. It may earn up to 70% by the additional expenditure of $186,000 (for a total expenditure of $686,000) by July 2013.

Argent has completed follow-up drilling and plans additional drilling in 2012.

West Wyalong
(Argent Minerals earning up to 70%)

GCR's West Wyalong tenement (EL5915) is located over the township of the same name in central NSW, 430 km west of Sydney. GCR owns the property 100%, subject to a 2.5% net smelter return royalty to Barrick.

A joint venture agreement has been negotiated with Argent Minerals Limited (AM) whereby it can earn 70% interest in the West Wyalong project by spending $1.35 million by July 2014

Wagga Tank,

Gold, Silver, Base Metals
(MMG Australia Ltd 51%)

Minerals and Metals Group (MMG) was formed to acquire the base metals projects of Oz Minerals Ltd in 2008. MMG has earned an initial 51% in the Wagga Tank tenement (Figure 10) by the expenditure of $550,000 and is increasing its interest through further spending according to a dilution formula.

1,727 metres of drilling was completed in 7 holes during the June 2011 Quarter, targeting VTEM anomalies. The holes yielded encouraging mineralisation over lengths of 3 to 10 metres. The holes have been surveyed by Down Hole EM, generating further targets for drilling.

Airborne geophysical surveys (VTEM) were extended over the remainder of the joint venture area.

Gilgunnia Range, New South Wales

Gold, Silver, Base Metals
(MMG Australia Ltd earning 80%)

Under an agreement dated 11 November 2009, MMG Australia Ltd may earn 80% interest in the tenement package by spending $1,500,000 on exploration by 12 November 2014. Thereafter MMG has an option to earn 90% by a further $4,500,000 of expenditure.

The joint venture includes Exploration Licences 6879 'Rast North', 7320 'Emu Tank' and 7323 'Kelly's Tank'.

Work undertaken by MMG on the Gilgunnia Range JV tenements included reconnaissance mapping at Iris Vale prospect, detailed ground magnetics (Digger and Olympic remnant magnetic lows ('Rast North') an airborne electromagnetic (VTEM) survey, reconnaissance induced polarisation surveys of the Digger and Olympic prospects (also on 'Rast North'), examination of historical airborne magnetic data for inversion modelling ('Kelly's Tank') and a rock chip sampling programme at Digger South.

A follow-up induced polarisation survey is planned at Digger and an airborne HeliTEM survey of the Gilgunnia Range JV tenements is being designed for Q3-2012.

Mount Isa, Queensland Phosphate

(Paradise Phosphate Limited may earn 80% in GCR's phosphate resources only.)

Legend International Inc has transferred its joint venture interest to its subsidiary Paradise Phosphate Limited (PPL). PPL is the subject of an IPO with its prospectus lodged with ASIC on 23rd July 2012. PPL continues to explore under the terms of the Golden Cross farm-out agreement over its three 100%-owned Isa Region tenements. Historical exploration outlined phosphate resources in each of the areas and these contribute about one third of Legend's claimed resource inventory. Under the agreement, Legend may earn an 80% interest in phosphate minerals on the tenements by spending $3 million on exploration and development by 7 December 2012. Around $2.85 million had been spent by December 2011. Golden Cross will retain a 20% interest in the phosphate minerals, free-carried to a decision to mine. PPL regards the GCR joint venture as "an additional growth opportunity" and intends, once listed, to continue resource definition work on the joint venture tenements.

Golden Cross retains all rights to all other minerals, including rare earth elements and uranium, which may occur in a wide variety of geological settings in the Proterozoic basement or in the Cambrian Georgina Basin which hosts the phosphate-rich strata. Legend is required to include uranium in the suite of elements assayed from all phosphate program samples.

During the year, Legend commenced drilling at Highlands Plains and will continue drilling at Lily & Sherrin Creeks, where the potential exists to define direct shipping phosphatic rock.

Cullarin, New South Wales

Gold, Silver, Base Metals
(TriAusMin 68.2%)

The tenement, located near Breadalbane, NSW, is underlain by host lithologies similar to those at the Woodlawn massive sulphide zinc-lead-silver deposit 30 kilometres to the southeast and the MacPhillamys gold-zinc deposit 100 kilometres to the north. TriAusMin Ltd acquired Tri Origin Minerals Ltd's rights under the 2006 agreement and earned 51% interest by spending $200,000 on exploration before further expenditure took it to 68.2%.

During 2012, EL's 6292 and 6686 were amalgamated into a single tenement EL7954. Reprocessing historic dipole-dipole IP, ground EM and magnetic data over the tenements is on-going to create a combined geological and geophysical 3D model including all known mineralisation and resources.

Broken Hill, New South Wales

Silver, Lead, Zinc, Gold
(Silver City Minerals may earn 80%)

In October 2010 GCR farmed out Exploration Licence 7390 near Broken Hill to Silver City Minerals (SCI). SCI identified a potential drill target within a steeply dipping ironstone and siliceous gossan horizon at Yellowstone, hosted within the Yellowstone Shear Zone. Previous work had located anomalous copper and gold rock chip samples at surface (up to 16 g/t gold) and shallow historic drilling hosted similarly anomalous samples most of which occurred in the oxide zone (for example 8 metres of 0.59% copper and 1 metre of 8.61 g/t gold).

As a prelude to drilling, SCI conducted a larger IP survey and soil geochemical sampling in order to identify other potential sulphide-bearing zones within the Shear Zone. A number of chargeability anomalies were identified and, in particular, a one kilometre long anomaly was identified that included mineralisation intersected in previous drilling and the outcropping gossan.

Drilling encountered pyrite (iron sulphide) mineralisation in holes 09, 10, 12 and 13. Significant results are as follows:

- 4 metres at 1.5 g/t gold and 0.2% copper from 68 metres in hole YE009.
- 4 metres at 54.2 g/t silver and 0.15% copper from 73 metres in hole YE010.

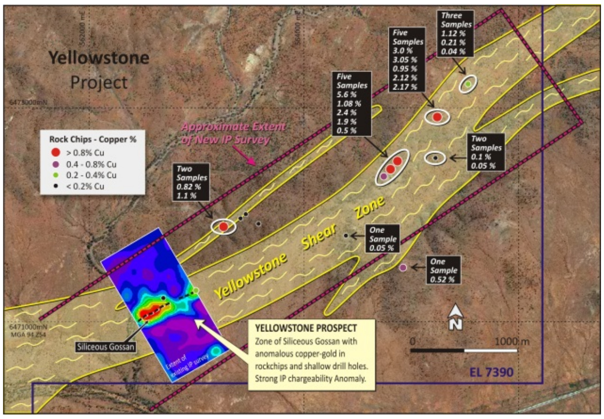


Figure 37. Yellowstone IP survey. Chargeability response modelled at approximately 100 metres below surface. Diagram shows the location of both historic and recent Silver City holes.

Broken Hill, New South Wales

Platinum Group Elements and Nickel
(Endeavour Minerals may earn 80%)

Endeavour Minerals has the right to explore Exploration Licence 7390 for platinum group elements and nickel only. Endeavour conducted surface sampling of soil and rock chips at the Little Broken Hill Gabbro, Round Hill, Little Darling Creek and at Back Ridge & Southern Slope, north of Mulga Springs.

The program in-filled and extended previous sampling programs seeking anomalous areas that might contain extensions of mineralised ultra-mafic rocks under cover and to assist in the design of a subsequent drilling program. No anomalous results have been reported.

Mulga Tank, Western Australia

Gold, Nickel, Uranium
(Endeavour Minerals earning 50%)

The Mulga Tank project is located 250 km northeast of Kalgoorlie in the eastern Yilgarn region of Western Australia. Within the project areas, Archaean bedrock is frequently masked by sand plains and the western margin of a large dune field, comprising aeolian quartz sands. Outcrop is limited to the north-western corner of E39/1072.

E39/988 (Mulga Tank) and E39/1072 (Mulga East) cover parts of an little-explored Archaean greenstone belt which includes the Minigwal Dunite or peridotite, a large, strongly magnetic, near circular body of 3-4km diameter, and a narrow west-northwesterly trending greenstone belt, that is interpreted to comprise ultramafics, mafic volcanics, volcanic and sedimentary rocks, fault bounded against granite (Figure 38). The sequence strikes northwest in the northern two thirds of the project area, and west-southwest in the southern third. Granite bounds the greenstone sequence to the east and west, and has also intruded central parts of the belt.

A soil sampling programme, on 400 x 400 metre spacing with infill to 200 x 200 metre spacing over selected areas, was completed over a period of several months during the year. In total 1,113 samples were collected covering four zones. The main aim of this program was to test the northwest trending structural pattern within licence E39/1513, the interpreted mafic/ultramafic stratigraphy in the 'pan-handle' magnetic feature related to the Minigwal Dunite to define drilling targets within E39/988, infill sampling in the zone of maximum gold anomalism in the vicinity of a greenstone/BIF unit intruded by granite to assist in drilling target generation within adjacent tenements E39/1072, E39/1439, E39/1440, E39/1441 and E39/1442.

Gold values range from 3.7 ppb to a maximum of 44.1 ppb Au. Once all results are compiled, targets will be selected for the next phase of drilling.

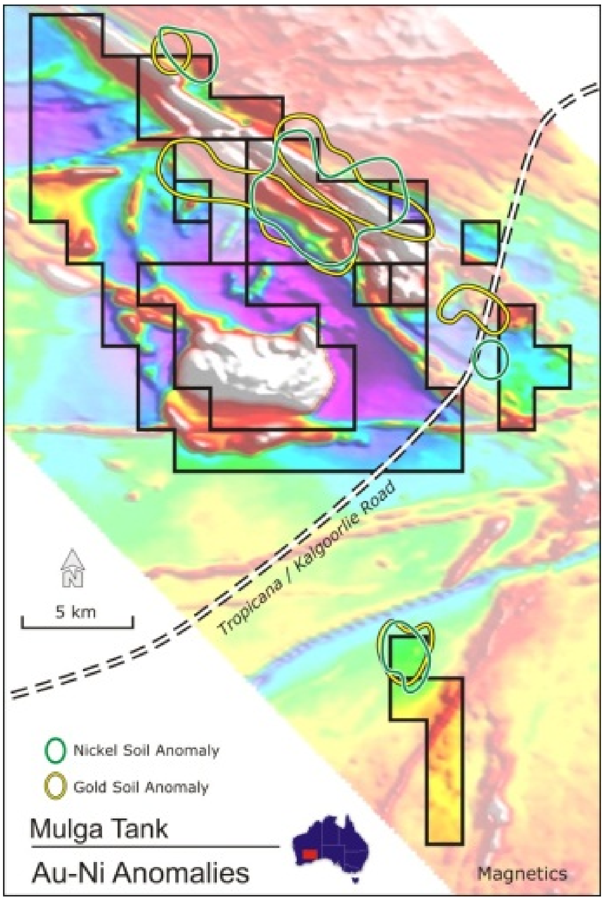


Figure 38: Mulga Tank Project, Yilgarn Block, Western Australia

Cargo Resource at a 0.5 g/t gold cut-off grade

Zone	Cut-off grade (g/t Au)	Volume (m^3)	Tonnes (million)	SG (g/cc)	Gold grade (g/t)	Contained Ounces
SPUR EAST	0.5	891,000	2.3	2.60	0.77	57,500
SPUR	0.5	2,778,688	7.2	2.61	0.88	205,000
DALCOATH	0.5	175,125	0.5	2.57	0.74	11,000
WEST DALCOATH	0.5	152,438	0.4	2.65	0.72	9,500
			10.4	2.61	**0.84**	**283,000**

Table 2. Cargo - Spur-Dalcoath Inferred Resource at a 0.5 g/t Au cutoff

Total Inferred Resource at a cut-off of 0.8g/t gold (Number of decimal places does not imply precision)						
Zone	**Cut-off grade (g/t Au)**	**Volume (m^3)**	**TONNES (million)**	**SG (g/cc)**	**Gold grade g/t**	**Ounces**
SPUR EAST	0.8	274,875	0.7	2.59	1.14	26,000
SPUR	0.8	119,8813	3.1	2.59	1.21	120,500
DALCOATH	0.8	50,813	0.1	2.56	1.07	4,500
WEST DALCOATH	0.8	24,688	0.1	2.66	1.29	2,500
			4.0	2.59	**1.19**	**154,000**

Table 2a. Cargo - Spur-Dalcoath Inferred Resource at a 0.8 g/t Au cutoff

Cargo Resource Compliance Statement:

Note: GCR provided the drill hole database, which H&S Consultants has accepted in good faith as being reliable, accurate and complete. GCR also supplied a geological interpretation of the Spur-Dalcoath vein systems, which formed the framework for the resource estimates. H&S has not validated the GCR database or geological interpretation in any detail, so responsibility for these aspects of the resource estimates, including the quality of the data, resides with GCR.
The Resource Estimates were overseen by Mr Arnold van der Heyden, a full-time employee of H&S Consultants Pty Ltd., specialists in resource estimation and geostatistics. Mr van der Heyden is a Member of the Australian Institute of Geoscientists (AIG), has more than five years' experience in the field of activity in which he is reporting, and consents to his report being incorporated into this announcement in the context in which it appears above.

Copper Hill Resource

Inside Reporting Pit					
Measured + Indicated + Inferred Resources					
Copper Cut-off grade %	Million Tonnes	Cu %	Au g/t	Cu metal '000 tonnes	Au metal '000 Oz
0.1	343	0.22	0.20	769.9	2207.1
0.2	153	0.32	0.27	493.2	1331.4
0.3	66	0.43	0.36	284.6	770.4
0.4	30	0.53	0.46	159.1	441.8
0.5	13	0.65	0.60	82.4	246.0
Measured Resource					
0.1	133	0.25	0.24	335.2	1008.5
0.2	70	0.35	0.32	244.1	714.0
0.3	35	0.45	0.42	159.1	476.7
0.4	17	0.56	0.55	96.0	303.5
0.5	9	0.68	0.70	58.8	194.8
0.6	5	0.77	0.79	38.6	127.7
Indicated Resource					
0.1	130	0.21	0.18	272.6	763.8
0.2	51	0.31	0.25	158.4	406.8
0.3	20	0.41	0.32	83.2	205.6
0.4	9	0.50	0.36	43.5	101.6
0.5	3	0.61	0.43	19.0	43.2
0.6	1	0.71	0.54	8.6	21.0
Inferred Resource					
0.1	80	0.20	0.17	162.2	434.8
0.2	31	0.29	0.21	90.7	210.6
0.3	11	0.39	0.25	42.3	88.2
0.4	4	0.47	0.27	19.6	36.8
0.5	1	0.57	0.31	4.6	8.0
0.6	0.1	0.83	0.22	0.9	0.8

Outside Reporting Pit				
Additional Mineralization				
Million Tonnes	Cu %	Au g/t	Cu metal '000 tonnes	Au metal '000 Oz
253	0.17	0.12	433.4	972.8
62	0.28	0.18	172.7	354.0
18	0.37	0.25	64.3	141.2
4	0.47	0.36	19.3	48.0
1	0.56	0.52	5.4	16.1

Table 3. Copper Hill Optimised Pits Resource Estimate

Copper Hill Resource Compliance Statement

The optimised pit bounding the resources was generated using Whittle software to maximize undiscounted cash flow using US$5.0/lb copper and US$2,000/oz gold commodity prices, recoveries of 85% for copper and 80% for gold and overall pit wall slopes of 45^o. Table 3 reports the resources that fall within the pit shell as well as (separately), the additional mineralisation that is outside. The resource that falls within the optimised pit does not constitute a reserve.

Statistics
Number of drill holes: 759
Number of assays: 57,529 (Copper), 57,542 (Gold)
Number of SG Measurements: 982

Nature of Data
A total of 87,601m of assayed drill holes were available for resource estimation. This included 23,285m of diamond core (PQ, HQ and NQ), with the balance being reverse circulation (RC). The RC holes were predominantly two metre composite samples and the DD holes were either sampled in one metre intervals for HQ or PQ sized core or two metre intervals for NQ sized core.
For estimation purposes the assay data were composited into two metre intervals. Analyses were undertaken at Australian Laboratory Services Orange (ALS) using 50g Fire Assay (Method AA26) for gold and ICP41 for copper and a suite of other elements. Standards and blanks were inserted into the sample stream at regular intervals, nominally on a 25 metre cycle. Duplicate samples were submitted every 20 samples for RC holes only.
The block model consists of blocks of 20m x 20m x 5m (XYZ). The base of the model was changed to -80RL as the previous reporting pit design bottomed on the previous base of estimation (RL100). Block densities were modelled using the results from 982 samples taken of drill core from GCHR046 and above. Densities were determined by classical methods on site with check measurements, comprising approximately 10% of the bulk density samples, conducted at ALS in Orange, NSW.

Estimation:

Ordinary kriging of top-cut drill-hole composites was carried out using Datamine software with the search and data acceptance parameters used for the sulphide domains being:

Pass 1: search ellipse of 40m x 45m x 40m using a minimum of five 2 metre composites

Pass 2: search ellipse of 60m x 67.5m x 60m and using a minimum of five composites

Pass 3: search ellipse of 100m x 112.5m x 100m and using a minimum of five composites

All passes used a maximum of 15 composites. A flatter search (40m by 40m by 15m) was used for estimation of the oxide and transition domains. In addition to oxidation, domains were defined on the basis of position in relation to faulting and recognition of barren intrusives. Two new domains that defined zones of higher grade mineralization were also used.

The resource was validated by comparison to the de-clustered composites and to Nearest Neighbour and Inverse Distance Squared estimates. Local and global variability were also found to be satisfactory.

Classification of Resources

Despite the use of more drill-hole data, different domains and different search parameters, the total resources above a cut-off of 0.2% copper have the same copper and gold grades and only slightly different tonnes to those reported in June 2011. The same resource classification scheme was used.

The Resource Estimates in this report were made by Richard Lewis, FAusIMM and Principal of Lewis Mineral Resource Consulting Pty Ltd (LMRC). Richard Lewis has sufficient experience relevant to the style of mineralization and type of deposit under consideration and in the field of activity in which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves”. He consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

GCR provided the drill hole database, which LMRC has accepted in good faith as being reliable, accurate and complete. GCR also supplied a detailed geological interpretation of the Copper Hill deposit, which formed the framework for the resource estimates. The responsibility for the JORC Codes “reasonable prospects for eventual economic extraction” is taken by GCR. LMRC has not validated the GCR database or geological interpretation in any detail, so responsibility for these aspects of the resource estimates, including the quality of the data, resides with GCR.

Note: The Measured, Indicated and Inferred Resource Estimates are reported under the 2004 JORC Code and Guidelines. Significant figures quoted do not imply precision and are used to minimise round-off errors

The information in this Annual Report that relates to Exploration Results is based on information compiled by Kim Stanton-Cook, who is a member of the Australian Institute of Geoscientists, is a full-time employee of GCR, 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 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Stanton-Cook consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Copper Hill, looking east, with GCR’s Coppervale Office and Core Shed near centre of photo.

Panoramic view of ‘Coppervale’ - GCR’s core shed, storage facility and site office for the Molong Project and Copper Hill, which rises in the background to the right-hand side of the picture. **Photo: M. Alderdice**

ROYALTIES

The Company holds the royalties set out in the table headed 'Interests in Mineral Tenements' on page 68 of this Annual Report. Further details are set out below.

Adelong, NSW

The Company holds a 1% gold production royalty, capped at 2,500 oz, over the Adelong Gold Project in NSW. The Company sold Challenger Mines Limited, which held the project, to Tasman Goldfields Limited in 2007. Tasman Goldfields sold Challenger Mines Limited to Macquarie Gold Limited in 2010 and the royalty vested in Challenger Mines Limited. The Company doesn't expect to receive any payments during the coming financial year.

Mt Boppy, NSW

The Company holds a 3% gross royalty over gold production from the Mt Boppy Gold Mine at Canbelego, NSW, owned by Polymetals. During the year to 30 June 2007, the Company received royalty payments totaling 750 ounces of gold, of which the Company's 95% share was sold on the spot market. The remaining 5% of the royalty was paid to former Mt Boppy tenement holders. Since then, the Company has bought the interests of the former Mt Boppy tenement holders so would be entitled to 100% of any future royalties. The Company doesn't expect payments to resume before 2013.

Wyoming One, NSW

The Company holds a royalty of up to 5% net smelter return over the area of EL 5830, held by Alkane Exploration Limited. EL 5830 contains the southern portion of the Wyoming One gold resource of over 500,000 ounces, near the town of Tomingley, NSW.

The royalty comprises $0.75 per tonne for the first 0.5 Mt, then 3% net smelter return up to 150,000 oz of gold production, then 5% net smelter return. Ten percent of the royalty is payable to Metallic Resources Pty Ltd. The Company doesn't expect to receive any payments in the near future.

Yellow Mountain, NSW

The Company holds a 2% net smelter return royalty over former EL 5721 "Yellow Mountain", in addition to a 30% participating interest in the Yellow Mountain exploration joint venture with Triako Resources Pty Limited, a subsidiary of CBH Resources Limited. Yellow Mountain lies 20 km to the west of the Mineral Hill Mine in NSW. The Company doesn't expect to receive any payments in the near future.

BrightStar Alpha, WA

The Company holds a 2% gross royalty over former E38/970 near Laverton. The area contains the southeastern part of the 2 km long BrightStar Alpha Area under exploration by A1 Minerals Limited. The area of former E38/970 includes M 38/968.

Mt Weld Area, WA

This 2% gross royalty relates to the former E39/636 near Laverton and was provided for in the same deed and on the same terms as the BrightStar Royalty. The Company doesn't expect to receive any payments in the near future.

Surat and Clarence-Moreton Basin, Queensland

The Company holds a royalty of $5.00 per tonne of saleable coal, up to a maximum of $30 million and thereafter a royalty payment of $1.00 per tonne of saleable coal produced from the Tenements for a period of twenty years. The Company also holds a royalty of 10% of wellhead value from coal seam gas production.

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Golden Cross Resources Ltd ("GCR") and the entities it controlled at the end of, or during, the year ended 30 June 2012.

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
Chris Torrey	Resigned as a director and Chairman as at 1 March 2012. Interim Chairman from 2 July 2008, Chairman from 13 January 2009. Non-executive Director from 10 February 2006. Exploration Manager from 1996 to 2006. MSc, MAIG, FSEG, RP Geo. Geoscientist also playing important roles in corporate financing and governance. Since 2006, Principal Geologist for a Sydney-based consultancy providing geological and exploration services to exploration companies in Australia, New Zealand, and Latin America. 30 years experience in global mineral exploration holding senior and management positions in Australia, New Zealand, United States, Indonesia and Panama. Exploration experience encompasses circum-Pacific porphyry copper-gold and epithermal gold, massive sulphides (VMS) in Tasmania and Northern Australia and Andean silver. Worked for large mining companies Noranda and Cyprus/Amax 1996. He is currently managing director of Silver City Minerals Limited	Chairman of the Remuneration and Audit Committees until 1 March 2012.
Steve Gemell	Non-executive director and chairman since 7 June 2012. Steve is a mining engineer with more than thirty-five years experience in the Australasian and global mining industry. That experience includes feasibility studies, resource development, mining operations and project assessments. He has managed operations in a range of commodities including base and precious metals, and industrial minerals. He has been involved in underground and open pit mining, and has supervised CIP/CIL, flotation, and alluvial plants. Steve is principal of Gemell Mining Engineers, an independent multi-discipline consultancy, which he formed in Kalgoorlie in 1984. He is currently an AusIMM appointee to the VALMIN Committee. Steve is also a non-executive director of Argent Minerals Limited, Eastern Iron Limited, Indochine Mining Limited and UCL Resources Limited. From 2005 to 2011, he was a non-executive director of UXA Resources Limited.	Member of the Audit Committee since 17 July 2012.
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., which is in its IPO (initial public offering) process on the Hong Kong Exchange.	
Kim Stanton-Cook	Managing Director since 1 March 2006. BA (Geology and Geophysics), MAIG, GSA, ASEG, SEG. Geologist with over 30 years' experience. Held senior management roles with several major companies including Getty Oil and Delta Gold, where he was involved in the discovery and proving up of the Kanowna Belle Gold Mine. Involved in mineral exploration and development for gold, base metals and uranium throughout Australia and North America. Explored for a range of metals in New Zealand, Papua New Guinea, Southeast Asia and Zimbabwe.	
Jingmin Qian	Non-executive director since 29 November 2010. BEc, MBA, CFA, GAICD. Ms Qian has been a strategy, investment and project management professional for more than 15 years. Her most recent role was Group Strategy and Planning Manager of Leighton Holdings involved in strategy development, planning, research, merger and acquisitions, investment review and project management across Australia, Asia, Middle East, and North America. She has previously held management roles in the Ministry of Commerce in China and L.E.K. consulting and Boral Ltd in Australia with a focus on the construction and resources industries. She is Secretary and Membership Chair at CFA Institute Society of Sydney.	Chairwoman of the Audit Committee since 13 June 2012. Member of the Remuneration and Nomination Committee.
Xun (Suzanne) Qiu	Non-executive Director since 13 January 2009. Director of HQ Mining Resources Holdings Pty Ltd. Marketing and tour management professional with seven years experience in the tourism industry, with particular emphasis on Chinese Government delegations. Introduced over 100 groups of Chinese delegates to various industries and councils across Australia.	Member of the Remuneration and Nomination Committee and Audit Committee.
David Timms	Non-executive Director since 1 March 2006. Managing Director from incorporation in 1994 to 2006. BSc (Hons), PEng, FAIG, FAusIMM. Manager, Amoco Minerals Australia from 1972 to 1985. Exploration Manager, Cyprus Gold from 1985 to 1990. Managed teams that discovered 30 mineable deposits including Red Dome, Gidgee, Junction Reefs, Selwyn-Starra, Moline, Mt McClure, Gold Ridge (Sol. Is) and Dinkidi (Phil.)	Member and, since 13 June 2012, Chairman of the Remuneration Committee.
Yan Li	On 5 July 2010, Xiaoming Li appointed his nephew Yan Li, who lives in Sydney, to be his alternate Director. Yan Li holds an executive MBA from the People's University of China and is a director of Beijing Shiji Qinlong Hi-Tech Co. Ltd.	-
Simon Lennon	Company Secretary, Legal Counsel, and CFO since 13 October 2008 (jointly until 31 October 2008). BSc, LLB, MCom, MBA, FCIS. Legal counsel and company secretary for the shipping division of a multinational transport company, 1988 to 1994. Legal counsel and company secretary for a multinational shipping company, 1994 to 1999. Legal general manager for an Australasian gold mining company and company secretary of its stock exchange listed subsidiary, 2000 to 2001. Legal counsel and company secretary for a major manufacturing company, 2003 to 2006. Interim insurance manager for a multinational funds management company, 2007 to 2008.	-

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, phosphates, base metals and uranium.

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 further exploring its Copper Hill Project, while carrying our exploration directly or through farm-out agreements and joint ventures elsewhere in Australia and in Panama.

DIVIDENDS

The Directors' report that during the year ended 30 June 2012, no dividends were declared or paid. The Directors of the Company 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. **Copper Hill**, where China Automated Control Systems completed stage 1 of a feasibility study into mining the deposit.
2. **Kempfield**, where the Company sold its last 30% interest to Argent Minerals Limited.
3. **Seven active farm-ins and other joint ventures on GCR properties** were in place at year-end, as follows:
    - Broken Hill, with Silver City Minerals Limited;
    - Cullarin with Tri Origin Minerals;
    - Mt Isa phosphates (Highland Plains; Lily & Sherrin Ck, Quita Ck) with Legend International Holdings.
    - Sunny Corner with Argent Minerals;
    - Wagga Tank with MMS;
    - West Wyalong with Argent Minerals; and
    - Yellow Mountain with CBH Resources and Paradigm Metals Limited;

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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 2012 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

GCR is active on all of its major properties, and all of its farm-in and joint venture partners are actively 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.

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.

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. KMP, including Directors, may participate in the Share Acquisition Scheme and Employee Option Plan, which assist in the motivation and retention of KMP.

Non-executive Directors' Fees

The current base fees, last reviewed in March 2004, are $30,000 for a Non-executive Director. The base fee for the Chairman was raised from $40,000 to $50,000 on 7 June 2012. These are within the aggregate Directors Fee Pool Limit of $150,000 set at the 2002 Annual General Meeting ("AGM").

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. Employee Options are issued, following a recommendation to the Board by the Remuneration 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

Remuneration and other terms of employment for Executive Directors are formalised in written agreements.

Kim Stanton-Cook, Managing Director, is employed under a contract with an initial twelve month term that commenced on 1 March 2006. It provides for termination by either party on three months' notice. No termination benefits are provided for in addition to statutory entitlements.

Simon Lennon, Company Secretary, Legal Counsel, and Chief Financial Officer, is employed under a contract with an initial twelve month term that commenced on 13 October 2008. It requires him to perform services three days each week and provides for termination by either party on three months' notice. No termination benefits are provided for in addition to statutory entitlements.

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

Details of Key Management Personnel

DIRECTORS AND COMPANY SECRETARY

Chris Torrey	Chairman, to 1 March 2012
Steve Gemell	Chairman, since 7 June 2012
Kim Stanton-Cook	Managing Director
Xiaoming Li	Director (non-executive)
Jingmin Qian	Director (non-executive)
Xun (Suzanne) Qiu	Director (non-executive)
David Timms	Director (non-executive)
Simon Lennon	Company Secretary, Legal Counsel, and Chief Financial Officer

EXECUTIVES

Bret Ferris	Exploration Manager

REMUNERATION REPORT – AUDITED (continued)

Remuneration of Key Management Personnel for year ended 30 June 2012

	Short Term Benefits			Post Employment Benefits		Share-based payment		
Year ended 30 June 2012 Name	Short Term: Salary/Fee $	Cash bonus $	Non-monetary benefits S	Superannuation $	Long Service Leave $	Options $	% of remuneration in options	Total $
Steve Gemell	4,167			375				4,542
Chris Torrey*	29,064	-	-	-	-	-	-	29,064
Xiaoming Li **	-	-	-	-	-	-	-	-
Kim Stanton-Cook	205,000	-	-	18,450	21,637	-	-	245,087
Jingmin Qian	58,073	-	-	5,227	-	-	-	63,300
Xun (Suzanne) Qiu	30,000	-	-	2,700	-	-	-	32,700
David Timms	30,000	-	-	2,700	-	-	-	32,700
Simon Lennon	125,077	-	-	11,232	7,722	-	-	144,031
Bret Ferris ***	160,725	-	-	-	-	-	-	160,725
Total	642,106	-	-	40,684	29,359	-	-	712,149

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

* Chris Torrey is the only owner of CTEX Pty Limited, through which he has been remunerated.

** Xiaoming Li is a majority shareholder of HQ Mining Resources Holdings Pty Ltd, one of the shareholders of Golden Cross, and does not receive remuneration.

*** Bret Ferris the only owner of Ferris Metals Pty Limited, through which he has been remunerated.

Remuneration of Key Management Personnel for year ended 30 June 2011

	Short Term Benefits			Post Employment Benefits		Share-based payment		
Year ended 30 June 2011 Name	Short Term: Salary/Fee $	Cash bonus $	Non-monetary benefits S	Superannuation $	Long Service Leave $	Options $	% of remuneration in options	Total $
Chris Torrey*	43,596	-	-	-	-	-	-	43,596
Xiaoming Li **	-	-	-	-	-	-	-	-
Kim Stanton-Cook	190,000	-	-	17,100	18,213	-	-	225,313
Jingmin Qian	17,500	-	-	1,575	-	-	-	19,075
Xun (Suzanne) Qiu	30,000	-	-	2,700	-	-	-	32,700
David Timms	30,000	-	-	2,700	-	-	-	32,700
Simon Lennon	124,800	-	-	11,232	5,637	-	-	141,669
Bret Ferris ***	144,825	-	-	-	-	-	-	144,825
Total	580,721	-	-	35,307	23,850	-	-	639,878

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

* Chris Torrey is the only owner of CTEX Pty Limited through which he has been remunerated.

** Xiaoming Li is a majority shareholder of HQ Mining Resources Holdings Pty Ltd, one of the shareholders of Golden Cross, and does not receive remuneration.

*** Bret Ferris is the only owner of Ferris Metals Pty Limited, and has been remunerated through this company.

Key Management Personnel Options outstanding as at 30 June 2012

There were no key management personnel options outstanding as at 30 June 2012.

ANNUAL GENERAL MEETING

The Company's 2012 Annual General Meeting is scheduled to be held at History House, 133 Macquarie Street, Sydney, NSW, at 4 pm on Thursday 15 November 2012.

ROUNDING

The Company is of a kind referred to in Class Order 98/0100 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.

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 2012, and the numbers of meetings attended by each Director were:

Name	Full Board Meetings Held While a Director	Full Board Meetings Attended While a Director	Audit * Committee Meetings Held While a Member	Audit * Committee Meetings Attended While a Member
Chris Torrey	6	6	1	1
Xiaoming Li	9	-	-	-
Kim Stanton-Cook	9	9	-	-
Jingmin Qian	9	9	-	-
Xun (Suzanne) Qiu	9	9	2	1
David Timms	9	9	-	-
Yan Li (Alternate)	9	-	-	-
Steve Gemell	1	1	-	-

Note: * There were no meetings of the Remuneration Committee during the year ended 30 June 2012.

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

Kim Stanton-Cook, Managing Director
Sydney, 20 September 2012

CORPORATE GOVERNANCE STATEMENT

The Company's main corporate governance practices are set out below. These practices are generally in line with the ASX Good Corporate Governance and Best Practice Recommendations ("Recommendations").

THE BOARD OF DIRECTORS

The Board takes ultimate responsibility for corporate governance and operates in accordance with the following principles:

- the Board comprises a minimum of four Directors (and currently comprises six Directors);
- at least one half of the Board should be Non-executive Directors;
- the Chairman should be an independent Non-executive Director elected by the full Board; and
- the Board should comprise Directors with a broad range of skills and experience relevant to the business of the Company.

The Board Charter is available on the Company's website. The Board considers that its composition provides for the timely and efficient decision-making required by the Company in its present circumstances.

The Company complies with Recommendation 2.1, which recommends that a majority of the Board should be independent Directors. Steve Gemell is an independent Non-executive Director, as is David Timms because more than three years have elapsed since the cessation of his employment in February 2006. Up to three of the six directors were nominated by HQ Mining Resources Holding Pty Ltd, the largest shareholder in the Company. All the current HQ Mining Resources Holding Pty Ltd nominee directors are Non-executive Directors, and none of them are current or former employees of the Company.

Relevant skills and experience of Directors are set out in the Directors' Report and in the Corporate section of the Company's website. Directors' performance is subject to review by the Chairman.

AUDIT COMMITTEE

Since 17 July 2012, the Audit Committee has comprised three Directors: Jingmin Qian, Steve Gemell, and Xun (Suzanne) Qiu, and Board advisor Kerry McHugh. Ms Qian is Chairwoman of the Audit Committee. Committee meeting attendances are disclosed in the Director's Report.

The purpose of the Audit Committee, as set out in the Charter posted on the website, is to:

- review and report to the Board on the Company's annual report and financial statements
- provide assurance to the Board that it is receiving adequate, up to date, and reliable information
- assist the Board in reviewing the effectiveness of the Company's internal control environment covering:
- effectiveness and efficiency of operations
- reliability of financial reporting, and
- compliance with applicable laws and regulations

The Audit Committee is also charged with the responsibility of recommending to the Board the appointment, removal and remuneration of the auditors, and reviewing the terms of their engagement, and the scope and quality of the audit. Details of the procedures for the selection and appointment of the auditors, and for the rotation of the audit engagement partners, are posted on the website.
In fulfilling its responsibilities, the Committee meets with the auditors at least twice each year and receives reports from management and the auditors. The auditors may communicate directly with the Chairman of the Audit Committee and Board. The auditor attends annual general meetings of the Company to answer questions about the audit.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party, and to obtain external legal or other independent professional advice. The Committee also requires the CEO and CFO to sign off on the Company's financial reports and the soundness of the Company's risk management and internal compliance and control systems.
The Committee reports to the full Board after each Committee meeting. Audit Committee minutes are provided to all Directors.

REMUNERATION AND NOMINATION COMMITTEE

Since 13 June 2012, the Remuneration and Nomination Committee has comprised David Timms, Jingmin Qian, and Xun (Suzanne) Qiu. Mr Timms is Chairman of the Remuneration Committee. Committee meeting attendances are disclosed in the Director's Report.
Company officers and directors are remunerated to a level consistent with the size of the Company. The Golden Cross Employee Share Acquisition Scheme and Employee Option Plan, approved by shareholders in 2005 and 2006 respectively, assist with motivating and retaining Company employees. (Directors withdrew the motion to renew the Golden Cross Employee Share Acquisition Scheme from the 2008 annual general meeting on 15 October 2008 so there will be no further share issues under that scheme.) Non-executive Directors receive a director's fee and could participate in both the Scheme and the Plan.

The Remuneration Committee Charter is available on the Company's website. The Committee reports to the full Board after each Committee meeting and Remuneration Committee minutes are provided to all Directors.

NOMINATION POLICY

The Company has complied with Recommendation 2.4 since 13 June 2012, by reconstituting the Remuneration Committee as a Remuneration and Nomination Committee. The Committee is subject to the terms and intent of the subscription agreement between the Company and HQ Mining Resources Holding Pty Ltd dated 22 December 2008. The Board's Nomination Policy is posted on the Company's website.

GENDER DIVERSITY

The Company has not complied with Recommendation 3. The Board has not adopted a gender diversity policy because two of the six Directors of the Company are women without such a policy. In all events, the appointment of Directors is subject to the terms and intent of the subscription agreement between the Company and HQ Mining Resources Holding Pty Ltd dated 22 December 2008. Furthermore, the Board believes the Company is too small to warrant a gender diversity policy at this time. The Company has only three full-time employees (including the managing director), one of whom is a woman.

RISK MANAGEMENT

The Company has established a Risk Management Policy, which is posted on the Company's website. Management reports regularly to the Board on its management of material business risks.
The Board has received assurance from the CEO and CFO that the declaration for the financial report, provided in accordance with section 295A of the *Corporations Act,* is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

CONTINUOUS DISCLOSURE POLICY

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company and its controlled entities that a reasonable person would expect to have a material effect on the price of the Company's securities. The Company's Continuous Disclosure Policy is posted on the website.

All information disclosed to ASX is immediately posted on the website and emailed to those parties who have supplied their email addresses. When analysts are briefed on aspects of the Company's operations, the material to be used in the presentation is released to ASX and posted on the Company's website.

COMMUNICATIONS POLICY

The Company's Communications Policy is posted on the Company's website.

SECURITIES TRANSACTION RULES

The Company has in place written Securities Transaction Rules. They bind Directors, officers and employees of the Company and prohibit trading in the Company's securities of anyone in possession of price-sensitive information. They may only trade in the Company's securities or securities of the Company's joint venture partners after notifying the Chairman, Managing Director, or Company Secretary respectively of their intentions to trade. The Securities Transaction Rules have been notified to the ASX and are posted on the Company's website.

CORPORATE CONDUCT

The Board has adopted policies on Ethics and the Environment. On 10 June 2011, the Board adopted a new policy on Safety and Health. These policies seek to foster high standards of conduct and integrity among employees, officers, and directors. The policies are posted on the Company's website.

INDEPENDENT PROFESSIONAL ADVICE

Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. The Company will only meet that expense if they obtain the advice after obtaining the Chairman's prior written approval, which will not be unreasonably withheld.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2012

	Notes	**2012 $'000**	**2011 $'000**
Other Income	5	3,118	663
Exploration expense	6(a)	(917)	(1,484)
General and administrative expenses	6(b)	(1,358)	(1,484)
Unrealised losses on investments	6(c)	(1,158)	(1)
Loss before income tax		(315)	(2,306)
Income tax expense	7	-	-
Loss after income tax		(315)	(2,306)
Net loss after tax attributable to members of Golden Cross Resources Limited		(315)	(2,306)
Other comprehensive income (unrealised gain/ (loss) on investments)		(563)	1,196
Total comprehensive loss for the period		(878)	(1,110)
Basic loss per share (cents)	8	(0.02)	(0.17)
Diluted loss per share (cents)	8	(0.02)	(0.17)

Consolidated Statement of Financial Position

As at 30 June 2012

	Notes	2012 $'000	2011 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	9	3,673	2,903
Other Receivables	10(a)	287	2,429
Prepayments	11	29	30
Investments	12	1,758	2,592
Total Current Assets		5,747	7,954
Non-Current Assets			
Property, plant and equipment	13(b)	529	569
Exploration and evaluation expenditure	13(a)	24,132	23,016
Other receivable	10(b)	913	874
Total Non-Current Assets		25,574	24,459
Total Assets		31,321	32,413
LIABILITIES			
Current Liabilities			
Payables	14	157	365
Provisions	15	137	135
Total Current Liabilities		294	500
Non-Current Liabilities			
Provisions	16	18	26
Total Non-Current Liabilities		18	26
Total Liabilities		312	526
Net Assets		31,009	31,877
EQUITY			
Issued capital	17	55,215	55,215
Reserves	18	2,328	2,891
Accumulated losses		(26,534)	(26,219)
TOTAL EQUITY		31,009	31,887

Consolidated Statement of Cash Flows

For the year ended 30 June 2012

	Notes	2012 $'000	2011 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,291)	(1,465)
Interest received		118	374
Receipts from farm-in partners		91	60
Net cash outflow used in operating activities	19	(1,082)	(1,031))
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(35)	(151)
Payments for exploration and evaluation		(2,389)	(3,844)
Payments for feasibility study		-	-
Proceeds from sale of investments		4,122	121
Refund of security deposit		2	-
Acquisition of shares		(11)	(102)
Research and development tax refund		163	18
Net cash in (outflow) used investing activities		1,852	(3,958)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		-	29
Cost of share issue		-	(13)
Net cash inflow from financing activities		-	16
NET INCREASE/(DECREASE) IN CASH HELD		770	(4,973)
Cash at beginning of the reporting period		2,903	7,876
CASH AT END OF THE REPORTING PERIOD	9	3,673	2,903

Consolidated Statement of Changes in Equity

For the year ended 30 June 2012

	Issued Capital	Share-based Compensation Reserve	Net Unrealised Gain Reserve	Accumulated Losses	Total
	$'000	$'000	$'000	$'000	$'000
As at 1 July 2010	55,199	871	786	(23,913)	32,943
Loss for the period	-	-	-	(2,306)	(2,306)
Other comprehensive income	-	-	1,196	-	1,196
Total comprehensive income/(loss) for period	-	-	1,196	(2,306)	(1,110)
Share issues	29	-	-	-	29
Share issue costs	(13)	-	-	-	(13)
Employee options	-	38	-	-	38
As at 30 June 2011	55,215	909	1,982	(26,219)	31,887
As at 1 July 2011	55,215	909	1,982	(26,219)	31,887
Loss for the period	-	-	-	(315)	(315)
Other comprehensive income/(loss)	-	-	(563)	-	(563)
Total comprehensive income/(loss) for period	-	-	(563)	(315)	(878)
Share issues	-	-	-	-	-
Share issue costs	-	-	-	-	-
Employee options	-	-	-	-	-
As at 30 June 2012	55,215	909	1,419	(26,534)	31,009

1. CORPORATE INFORMATION

The financial report of Golden Cross Resources Limited (the "Company") for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the directors on 20 September 2012.

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 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. The financial report has been prepared on a going concern basis, as there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(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) New accounting standards and interpretations

Changes in accounting policy and disclosures

The company has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2011.

The adoption of the following amendments resulted in changes to the accounting policies but did not have any impact on the Financial Statements.

- AASB 124 (Revised) - applicable 1 January 2011
- AASB 2009-12 - applicable 1 January 2011
- AASB 2010-4 – applicable 1 January 2011
- AASB 2010-5 – applicable 1 January 2011
- AASB 1054 – applicable 1 July 2011
- AASB 2010-6 – applicable 1 July 2011
- AASB 2010-9 – applicable 1 July 2011
- AASB 2011-5 - applicable 1 July 2011
- AASB 1048 – applicable 1 July 2011

The adoption of the standards or interpretations has not resulted on any material impact on the company's financial reports. Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2012 reporting period. The Group is in the process of assessing these new standards and interpretations. At this stage, it is not expected that these new accounting standards will have a material impact on the amounts reported in the group financial statements. Certain disclosures and presentation may change due to new and amended standards.

(d) Basis of consolidation

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

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.

(e) Business combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination P & L. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell) all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of the business combination over the fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. This discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(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 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.

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.

Exploration, evaluation, development and restoration costs (continued)

Development

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured. No amortisation is provided in **(h)**

respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

Restoration

Provisions for restoration costs of drilling sites and other areas disturbed by exploration activities are recognised when the Company 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.

If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, 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 finance cost.

Remaining Mine Life

In estimating the remaining life of the mine at each mine property for the purpose of amortisation and depreciation calculations, due regard is given not only to the volume of remaining economically recoverable reserves but also to limitations which could arise from the potential for changes in technology, demand, product substitution and other issues that are inherently difficult to estimate over a lengthy time frame.

(i) Property held for sale

Where the carrying amount of property and related assets will be recovered principally through a sale transaction rather than through continuing use, the assets are reclassified as Property Held for Sale and carried at the lower of the assets' carrying amount and fair value less costs to sell - where such fair value can be reasonably reliably determined, and otherwise at its carrying amount. Liabilities and provisions related to property held for sale are similarly reclassified to Liabilities - Property Held for Sale and Provisions - Property Held for Sale, as applicable, and carried at the value at which the liability or provision is expected to be settled.

(j) 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 at cost less accumulated provisions for impairment.

(k) Interest in jointly controlled operation

The Group has an interest in a joint venture, the Yellow Mountain Joint Venture, which is a jointly controlled operation. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled 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 jointly controlled operation by recognising its interest in the assets and the liabilities of the joint venture. 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 jointly controlled operation.

(l) 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.

(m) 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.

(n) Goodwill and intangibles

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the fair value of the acquirer's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangibles

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense is taken to the income statement through the "administrative expenses" line item.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists and in the case of indefinite life intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

(o) 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.

(p) 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.

(q) Borrowing costs

Borrowing costs are recognised as an expense when incurred, except where they are included in the costs of qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the period.

(r) 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 national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(s) Share-based payment transactions

In addition to salaries, the Group provides benefits to certain employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

There are currently two plans in place to provide these benefits:

- the Employee Share Acquisition Scheme; and
- the Employee Option Plan.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Black & Scholes option pricing model.

In valuing transactions settled by way of issue of options, no account is taken of any vesting limits or hurdles, or the fact that the options are not transferable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

(s) Share-based payment transactions (continued)

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised is recognised immediately. However, if a new award is substituted for the cancelled award and designated a replacement award on the date it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share except where such dilution would serve to reduce a loss per share.

(t) 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.

(u) 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.

(u) Income tax and other taxes (continued)

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.

(v) Currency

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

(w) 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.

(x) 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.

(y) 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.

(y) Segment reporting (continued)

(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 2 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
- income tax expense/benefit.

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.

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 no debt, hence has a nil gearing ratio.

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

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

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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.

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 3.45% on $150,000 in deposits at call (2011: 4.70%), between 4.25% and 5.30% on short term deposits of $3,500,000 and between 3.64% and 6.00% on $252,000 in security deposits (2011: 4.80% - 6.10%). All other financial assets and liabilities are non-interest bearing.

Year ended 30 June 2012			**Fixed interest maturing in:**				
	Notes	**Floating interest rate $'000**	**1 year or less $'000**	**over 1 to 5 years $'000**	**more than 5 years $'000**	**Non-interest bearing $'000**	**Total $'000**
Financial assets							
Cash	9	150	3,500	-	-	23	3,673
Receivables - Current		-	252	-	-	35	287
Receivables Non current	10 (b)	-	-	-	-	913	913
		150	3,752	-	-	971	4,873
Weighted average interest rate		3.45%	5.01%				
Financial liabilities							
Payables	14	-	-	-	-	157	157
Net financial assets		150	3,752	-	-	814	4716

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Year ended 30 June 2011	Notes	Floating interest rate	Fixed interest maturing in: 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	100	2,750	-	-	53	2,903
Receivables - Current		-	281	-	-	2,178	2,459
Receivables Non current	10 (b)	-	-	-	-	874	874
		100	3,031	-	-	3,105	6,236
Weighted average interest rate		5.4%	5.3%				
Financial liabilities							
Payables	14	-	-	-	-	365	365
Net financial assets		100	3,031	-	-	2,740	5,871

At balance date, the Group had the following mix of financial assets exposed to Australian Variable Interest rate risk.

	GROUP 2012 $'000	2011 $'000
Financial Assets		
Cash	150	100
Net exposure	150	100

Risk Exposures and Responses

Judgments of reasonably possible movements:	Post Tax Loss Lower/(Higher) 2012 $'000	2011 $'000	Equity Lower/(Higher) 2012 $'000	2011 $'000
+ 1% (100 basis points)	2	1	-	-
- 1% (100 basis points)	(2)	(1)	-	-

(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.

The Group is presently expending funds in Panama to obtain exploration tenements, in which exploration costs are largely denominated in US dollars. A large portion of the Group's expenditures in Panama are subject to unhedged foreign exchange risks. The Group may withdraw from Panama at anytime.

(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, in consultation with its 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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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.

(vi) Equity price risk

Price risk arises from investments in equity securities. All available for sale equity investments held by the Company are publicly traded on the ASX.

Judgments of reasonably possible movements:	**Post Tax Loss Lower/(Higher)**		**Equity Lower/(Higher)**	
	2012 $'000	**2011 $'000**	**2012 $'000**	**2011 $'000**
+ 20%	-	-	352	518
- 20%	-	-	(352)	(518)

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

The Group classifies fair value measurement using the hierarchy that reflects the significance of the inputs used in making the measurements. Investments held by the Group are fair valued using Level 1 measurements within the hierarchy. The fair value of the investments held by the Group is estimated by using quoted prices in active markets for identical assets or liabilities. The basis for determining fair values is disclosed in note 2(j).

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

All financial assets and liabilities are denominated in Australian dollars.

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:

Significant accounting judgements

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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date they were granted. The fair value is determined using the Black and Scholes model, with the assumptions detailed in the Remuneration Report. The accounting estimates and assumptions relating to equity-settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

5. OTHER INCOME

	2012 $'000	2011 $'000
Other Income from non-operating activities		
Interest received	118	375
	-	19
Share trading	124	121
Gain on sale of tenement (a)	2,749	23
Other	127	125
Total other income	3,118	663

(a) During 2012 the Queensland coal tenements were sold at a purchase consideration of $3,000,000. These resulted in a gain of $2,749 million through the income statements. The carrying value of the tenements sold was $251,000.

6. GAINS & EXPENSES

	2012 $'000	2011 $'000
(a) Exploration expense		
Exploration and Evaluation		
Capitalised expenditure written off	917	1,484
	917	1,484
(b) General & administrative expenses		
Employee entitlements	602	666
Superannuation contributions	45	44
Audit fees	59	66
Depreciation of plant and equipment	75	42
Insurance	36	37
Legal	4	-
Operating lease - rental expense	115	73
Overseas admin expense	16	45
Business development	10	11
Share Registry Fees	22	94
Stock exchange fees	27	54
Share-based payments – employee options	-	38
Web site and computer maintenance	40	49
Other	307	265
	1,358	1,484
(c) Unrealised losses on investments	1,158	1
	1,158	1

7. INCOME TAX

	2012 $'000	2011 $'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 and Panama.

(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.

	2012 $'000	2011 $'000
(b) - Numerical reconciliation of income tax expense to prima facie tax payable is as follows:		
Loss from operations before income tax expense	(315)	(2,306)
Tax at statutory tax rate of 30% (2010: 30%)	(94)	(692)
Tax effect of non-temporary differences	-	12
Tax effect of equity raising costs debited to equity	(26)	(26)
Tax effect of tax losses and temporary differences not recognised	120	706
Income tax expense	-	-
The non temporary differences are as follows:		
Entertainment expenses	-	4
Employee share plan costs	-	38
Others	-	-
Total	-	42
Tax effect at 30%	-	13

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

	2012 $'000	2011 $'000
Unclaimed value of share issue costs debited to equity	60	129
Tax benefit of unclaimed residuals at 30%	18	39

	2012 $'000	2011 $'000
(d) – Tax Losses – Revenue		
Unused tax losses for which no tax loss has been booked as a deferred tax asset	36,623	36,458
Potential deferred tax benefit at 30%	10,987	10,937
Net deferred tax liability	(1,013)	(977)
Net deferred tax asset - not booked	9,994	9,960

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.

7. INCOME TAX (continued)

	2012 $'000	2011 $'000
(e) –Temporary tax differences		
Accelerated deductions for tax compared to book	5,625	4.510
Other temporary tax differences	(2,250)	(1,188)
Total at 100%	3,375	3.322
Potential deferred tax liability @ 30%	1,013	977

8. LOSS PER SHARE

	2012	2011
Basic loss per share (cents per share)	(0.02)	(0.17)
Weighted average number of ordinary shares during the year used in the calculation of basic loss per share	1,361,900,851	1,361,372,947
Diluted loss per share (cents per share)	(0.02)	(0.17)

	2012 No of Shares	2011 No of Shares
Weighted average number of ordinary shares during the year used in the calculation of diluted loss per share	1,361,900,851	1,361,372,947

	2012 $'000	2011 $'000
Loss used in calculating basic and diluted loss per share	(315)	(2,306)

Options

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 2012 the weighted average number of options that were not included in the calculation of loss per share as they are anti-dilutive is 5,623,962: (2011: 340,608,368 .)

9. CASH AND CASH EQUIVALENTS

	2012 $'000	2011 $'000
Cash at bank and on hand	23	53
Deposits	3,650	2,850
	3,673	2,903

Note: The deposits are held in short term deposits of 30-90 days for which the interest rates at year-end were 5.04% (2011: 5.10%) and an 11am call account at 3.45% (2011: 4.70%).

10. OTHER RECEIVABLES

(a) Current other receivables	2012 $'000	2011 $'000
Security deposits	277	281
Accounts receivable – Argent	-	2,000
Accounts receivable - other	-	148
Other debtors	10	-
	287	2,429

10. OTHER RECEIVABLES (continued)

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 3.64% and 6.00% (2011 between 4.91% and 6.10%).

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	**2012 $'000**	**2011 $'000**
Other Receivable (i)	913	874
	913	874

(i) Kempfield Sale Agreement:
On the 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 $1,000,000 payable in cash, $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 a deferred portion of $1,000,000 payable in shares of Argent Minerals Limited (fair valued at $913,000 using Reserve bank 2 year bond rate of 4.35%. (2011: $874,000) giving rise to non-current receivable) upon a decision to mine. The decision to mine is expected in no longer than 2 years from the year end date.

11. PREPAYMENTS

	2012 $'000	**2011 $'000**
Prepaid expenses	29	30
	29	30

12. INVESTMENTS

	2012 $'000	**2011 $'000**
Investments in listed companies		
Shares in Alkane Resources Limited	79	215
Shares in Argent Minerals Limited	290	230
Shares in Kalgoorlie Mining Company Limited	4	47
Shares in Brightstar Limited (formerly Tasman Limited)	1,385	2,100
At market value	1,758	2,592

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

	2012 $'000	**2011 $'000**
(a) Exploration and Evaluation Expenditure		
Exploration Assets		
Costs brought forward	23,016	22,059
Expenditure incurred during the year	2,284	5,292
Expenditure written off during the year (i)	(917)	(1,484)
Disposal of exploration property	(251)	(2,851)
Costs carried forward	24,132	23,016
Costs incurred on current areas of interest		
- Copper Hill	1,264	4,755
- Burra	18	30
- Cargo	501	31
- Pine Ridge	9	15
- Rast	19	13
- Mulga Tank and Mulga East	22	75
- Queensland Coal	137	71
- Other properties	314	302
	2,284	5,292

(i) Relates to impairment of capitalised exploration expenditure to tenements which are no longer viewed as being economically recoverable.

13. EXPLORATION AND EVALUATION EXPENDITURE, MINE PROPERTY, PLANT AND EQUIPMENT (continued)

Exploration and Evaluation Expenditure	2012 $'000	2011 $'000
(b) Property, Plant and Equipment		
Cost	929	938
Provision for depreciation	(400)	(369)
Net book value	529	569
Net book value at beginning of year	569	478
Additions	35	151
Depreciation expense	(75)	(60)
Net book value at 30 June	529	569

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

During the period, an impairment expense of $917,000 was recognised against the exploration and evaluation assets. This relates to the writedown of expenditure on the Rast group of tenements ($907,000), the Brigalow coal tenement not granted $6,000 and $4,000 on the Panamain projects not granted

The recoverable amounts were determined based on the fair value of the assets, less cost to sell. In the absence of a binding sale agreement and active market, management determined the fair value based on the best information available to reflect an estimated amount that the entity could obtain from the disposal of the assets in an arm's length transaction.

14. CURRENT LIABILITIES - Payables

	2012 $'000	2011 $'000
Trade payables and other creditors	157	365
	157	365

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

15. CURRENT LIABILITIES – Provisions

	2012 $'000	2011 $'000
Provision for Annual Leave	87	91
Provision for Long Service Leave	50	44
Total Current Provisions	**137**	**135**

16. NON-CURRENT LIABILITIES – Provisions

	2012 $'000	2011 $'000
Provision for Long Service Leave	8	16
Provision for Lease Rehabilitation	10	10
Total non-current liabilities – Provisions	**18**	**26**

17. CONTRIBUTED EQUITY

	2012 Shares '000	2011 Shares '000	2012 $'000	2011 $'000
Issued and paid up:				
Ordinary shares	1,361,901	1,361,901	55,215	55,215

a) by 4 July 2013 (total of 5,450,000 Employee Options).

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.

18. RESERVES

	2012 $'000	2011 $'000
Opening net unrealised gain reserve	1,982	786
Unrealised gain(loss) on investment	(563)	1,196
Closing net unrealised gain reserve	1,419	1,982
Opening share-based compensation reserve	909	871
Share based expense	-	38
Closing share-based compensation reserve	909	909
	2,328	2,891

Net unrealised gain reserve

The net unrealised gain reserve is used to record increments and decrements in the fair value of investments held as available for sale.

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. Refer to note 21 for further details of this plan.

19. STATEMENT OF CASH FLOWS RECONCILIATION

	2012 $'000	2010 $'000
Operating loss	(315)	(2,306)
Depreciation	75	42
Share-based employee remuneration	-	38
Gain on trading of investments	-	(19)
Exploration and evaluation expenditure written off	917	1,484
Decrease in receivables and other assets	(1,545)	(467)
Increase/ (Decrease) in creditors	(208)	194
Increase/ (Decrease) in other provisions	(6)	3
Net cash outflow from operating activities	(1,082)	(1,031)

20. RELATED PARTY DISCLOSURES

Directors

Disclosures relating to Directors are set out in the Remuneration Report, included in the Directors' Report.

Wholly Owned Group

The wholly-owned group consists of Golden Cross Resources Limited and its wholly-owned controlled entities, Golden Cross Operations Pty Ltd, King Eagle Resources Pty Ltd and GCR Panama, Inc. Ownership interests in these controlled entities are set out in note 24. Golden Cross Resources Limited is the ultimate parent entity.

Compensation of Key Management Personnel

	2012 $'000	2011 $'000
Short-term employee benefits (Salary/fee)	642	581
Post-employment benefits (Superannuation)	41	35
	683	616

Aggregate amounts receivable from related parties in the wholly-owned group at balance date were as follows. These loans are non-interest bearing with no fixed repayment terms:

	PARENT ENTITY	
	2012 **$'000**	**2011** **$'000**
Total loans advanced to controlled entities	43,795	42,974
Less provision	(21,426)	(19,392)
Loans advanced to controlled entities	22,369	23,582

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

Chris Torrey is a director and shareholder of CTEX Pty Ltd, which was paid $nil for geological consulting services (2011: $nil). The contract was based on normal commercial terms and conditions. Mr Torrey is managing director of Silver City Minerals Limited, which is a Joint Venture partner on Golden Cross' Broken Hill tenements. During the period, Golden Cross signed an agreement with Silver City Minerals Limited allowing Silver City to farm-into the Broken Hill base metal and silver-gold portion of the tenement earning a 51% interest on the license upon completion of $600,000 spend on exploration or development activities over 5 years, with the option to increase its share to 80% with an additional spend of $400,000 in the subsequent two years.

David Timms is a director of Endeavour Minerals (Endeavour) which is a Joint Venture partner on Golden Cross' Mulga Tank tenements. During the period, Golden Cross has signed an agreement with Endeavour allowing Endeavour to farm-into the Mulga tank tenements earning a 50% interest on the license upon completion of $3 million spend on exploration or development activities over the next 5 years. Golden Cross also entered an agreement with Endeavour on the Nickel and platinum elements of the Broken Hill tenement. The agreement allows Endeavour to earn a 51% interest upon completion of spend of $400,000 on exploration and development activities over 5 years, with an option to earn up to 80% with an additional spend of $200,000 in the following two years.

David Timms is also a technical consultant to the Board of Argent Minerals Limited. Golden Cross also has farm–in arrangements with Argent Minerals Limited, of which Steve Gemell is a non-executive director, in respect of Sunny Corner and West Wyalong tenements.

There was $Nil outstanding to related parties at 30 June 2012. (2011: $4,125.)

Amounts recognised as expenses

	2012 $	2011 $
Geological consulting fees	-	4,125
	-	4,125

20. RELATED PARTY DISCLOSURES (continued)

Aggregate amounts payable to Directors of the Company at 30 June 2012 relating to the above types of other transactions

	2012 $	2011 $
Current/Non-current liabilities	-	-

Shareholdings of Key Management Personnel

Name	Balance 01.07.11 (number)	Received as remuneration (number)	Options exercised (number)	Acquisition/ (Disposal) of shares (number)	Balance 30.06.12 (number)
Chris Torrey	553,334	-	-	-	553,334
Kim Stanton-Cook	1,550,000	-	-	-	1,550,000
Xiamong Li	449,740,637			9,000,000	458,740,637
David Timms	30,927,166	-	-	(1,317,310)	29,609,806
Xun Qiu	200,000	-	-	-	200,000
Total	482,971,137	-	-	7,682,690	490,653,827

Option Holdings of Key Management Personnel

There were no key management personnel options outstanding as at 30 June 2012.

21. SHARE-BASED PAYMENT PLANS

Recognised share-based payment expenses

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

	2012 $'000	2011 $'000
Payments by way of shares to directors and employees under Share Acquisition Scheme	-	-
Payments by way of options to directors and employees under Employee Option Plan (value of options vested during the year)	-	38
Total	-	38

Types of share-based payment plans

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 in March 2006. All employees (including directors and consultants) of Golden Cross 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.

At 30 June 2012 the Company had on issue 5,990,000 employee options exercisable at 10 cents as follows:

	Number	Exercise Price	Expiry Date
Golden Cross Resources Employee Option Plan Options	1,850,000	10 cents	10.07.2012*
	3,600,000	10 cents	04.07.2013*
	5,450,000		

*Options fully vested as at 30 June 2011.

Valuation inputs for employee options issued that have not fully vested are as follows:

Grant Date	Expiry Date	Exercise price	Dividend yield	Expected volatility *	Risk free interest rate	Expected life of option years	Share Price at Grant date	Fair Value at Grant date
10.07.07	10.07.12	10 cents	0%	100%	6.25%	5	4.4 cents	2.9 cents
04.07.08	04.07.13	10 cents	0%	100%	2.95%	5	3.1 cents	1.6 cents

*Volatility is determined by with reference to historical share prices.

22. COMMITMENTS AND CONTINGENCIES

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

	2012 $'000	2011 $'000
Operating Leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than 1 year	51	112
Later than 1 year but not later than 2 years	-	51
Commitments not recognised in the financial statements	51	163
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:		
Not later than one year	279	617
Later than one year but not later than 2 years	782	490
	1,061	1,107

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.

23. REMUNERATION OF AUDITORS

	2012 $	2011 $
Remuneration for audit or review of the accounts and consolidated accounts of Golden Cross Resources Limited and its controlled entities		
	58,915	66,252
	58,915	66,252

24. PARENT ENTITY INFORMATION

Information relating to Golden Cross Resources Limited:	2012 $'000	2011 $'000
Current assets	3,772	5,492
Total assets	30,308	31,370
Current liabilities	22	12
Total liabilities	22	12
Issued capital	55,215	55,215
Accumulated losses	(27,257)	(26,749)
Share-based compensation reserve	909	909
Net unrealised gain reserve	1,419	1,983
Total shareholders' equity	30,286	31,358
Loss of the parent entity	(508)	(2,836)
Total comprehensive profit (loss) of the parent entity	(508)	(2,836)
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.	-	-
Details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment.	-	-

Investments held by parent entity:

Name of Entity	Country of Incorp-oration	Class of Shares	Parent Entity's Investment		Equity Holding		Contribution to Consolidated Operating Profit/ (Loss) After Tax	
			2012 $'000	2011 $'000	2012 %	2011 %	2012 $'000	2011 $'000
Parent Entity								
Golden Cross Resources Limited							1,492	164
Controlled Entities								
Golden Cross Operations Pty Ltd	Australia	Ordinary	-	-	100	100	(1,789)	(2,427)
King Eagle Resources Pty Ltd	Australia	Ordinary	2,031	2,031	100	100	(1)	-
GCR Panama Inc	Panama	Ordinary	10	9	100	100	(16)	(43)
			2,041	2,040			(315)	(2,306)

25. 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 assets. The operating segments identified by management are based on areas of interest. Expenditure incurred and capitalised for these tenements is disclosed in note 13.

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.

2012: OPERATING SEGMENTS	Copper Hill	Rest of Australia	Panama	Total
Reconciliation of segment net loss after tax to net loss before tax:				
Gain on Sale of Tenements	-	2,749	-	2,749
Exploration and Evaluation Impairment	-	(917)	-	(917)
Total segment net gain/(loss) after tax				1,632
Interest Revenue				118
Other Revenue				251
Share Based Payments				-
Depreciation				(77)
Other Costs				(2,239)
Net loss before tax per statement of Comprehensive Income				(315)

2011: OPERATING SEGMENTS	Copper Hill	Rest of Australia	Panama	Total
Reconciliation of segment net profit/(loss) after tax to net loss before tax:				
Gain on Sale of Tenement	-	23	-	23
Exploration and Evaluation Impairment	-	(1,484)	-	(1,484)
Total segment net loss after tax				(1,461)
Interest Revenue				375
Other Revenue				265
Share Based Payments				(38)
Depreciation				(42)
Other Costs				(1,405)
Net loss before tax per statement of Comprehensive Income				(2,306)

SEGMENT ASSETS	Copper Hill	Rest of Australia	Panama	Total
30 June 2012				
Capitalised Expenditure	16,404	8,207	50	24,661
Current and non current receivables	-	913	-	913
Total	16,404	9,120	50	25,574
30 June 2011				
Capitalised Expenditure	15,140	8,395	50	23,585
Other current assets	-	2,874	-	2,874
Total	15,140	11,269	50	26,459

Reconciliation to total assets:		
Total assets by reportable assets	25,581	26,459
Cash and cash equivalents	3,673	2,903
Other receivables	280	429
Prepayments	29	30
Investments	1,758	2,592
Total assets per Statement of financial position	**31,321**	**32,413**

25. SEGMENT REPORTING (continued)

GEOGRAPHICAL SEGMENTS

	2012 $'000	2011 $'000
Non-current assets by geographical location:		
Australia	25,524	24,409
Panama	50	50
Total non-current assets as per Statement of Financial position*	**25,574**	**24,459**

*Excluding non-current receivables.

26. SUBSEQUENT EVENTS

There have not been any subsequent events since the reporting date.

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 2012 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 2012.

On behalf of the Board

Kim Stanton-Cook, Managing Director,
Sydney, 20 September 2012

DIRECTORS' DECLARATION

The Directors declare that:

In accordance with a resolution of the directors of Golden Cross Resources Ltd, 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 2012 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 2012.

On behalf of the Board

Kim Stanton-Cook, Managing Director,
Sydney, 20 September 2012

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Independent auditor's report to the members of Golden Cross Resources Ltd

Report on the financial report

We have audited the accompanying financial report of Golden Cross Resources Ltd, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2b, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

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Opinion

In our opinion:

- the financial report of Golden Cross Resources Ltd is in *accordance with the Corporations Act 2001*, including:
    - giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
    - complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2b

Report on the remuneration report

We have audited the Remuneration Report for the year ended 30 June 2012. 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.

Opinion

In our opinion, the Remuneration Report of Golden Cross Resources Ltd for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Anton Ivanyi
Partner
Sydney
20 September 2012

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

In relation to our audit of the financial report of Golden Cross Resources Ltd for the financial year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Anton Ivanyi
Partner
Sydney
20 September 2012

INTERESTS IN MINERAL TENEMENTS (As at 13 September 2012)

LOCATION	TENEMENT NAME	TENEMENT (1)	km^2	HOLDER (2)	% HOLDING	JOINT VENTURER/NOTES
NEW SOUTH WALES						
Broken Hill	Broken Hill JV	EL 7390	187	GCO	100	SCI, EML (3)
Canbelego Group	Fairview Tank	EL 7065	144	GCO	100	
	Rosevale	EL 7097	135	GCO	100	
	Burra	EL 7389	15	GCO	100	
	Shango South	EL 7743	35	GCO	100	
Cargo	Cargo	EL 5238	60	GCO	100	
Cobar Region	Wagga Tank (Wagga Tank JV)	EL 6695	170	GCO	49	MMG (4)
	Wynwood (Wagga Tank JV)	EL 7226	121	MMG	51	MMG (4)
	Emu Tank (Gilgunnia Rg. JV)	EL 7320	113	GCO	100	MMG (5)
	Kelly's Tank (Gilgunnia Rg JV)	EL 7323	143	GCO	100	MMG (5)
	Rast North (Gilgunnia Rg. JV)	EL 6879	128	GCO	100	MMG (5)
Molong	Copper Hill	EL 6391	95	GCO	100	
Rast Group	Pine Ridge	EL 6753	103	GCO	100	
	Kilparney Extended	ELA 4629	161	GCO	100	Replaced smaller EL 6852
	Rast	EL 6878	118	GCO	100	
	Guapa Tank	EL 7051	84	GCO	100	
	Delaney's Tank	EL 7322	153	GCO	100	
	Burthong Creek	EL 7389	9	GCO	100	
	Four Mile South	ELA 4385	3	GCO	100	
Southeast Lachlan	Cullarin JV	EL 7954	161	TRO	32	(6) Replaced EL 6292, 6686
	Quidong	ELA 4514	200	GCO	100	
Sunny Corner	Sunny Corner JV	EL 5964	104	GCO	49	ARD (7)
	Sunny Corner JV	EL 7135	88	ARD	100	ARD (7)
West Wyalong	West Wyalong JV	EL 5915	114	GCO	100	ARD (8)
	Narragudgil	ELA 4520	137	GCO	100	
Yellow Mountain	Yellow Mountain JV	EL 6325	110	TKR	30	TKR holds 40%/PDM 30%(9)
QUEENSLAND						
Mount Isa	Quita Creek	EPM 14905	276	KER	100	PPO (10)
	Highland Plains	EPM 14906	300	KER	100	PPO (10)
	Lily & Sherrin Creek	EPM 14912	300	KER	100	PPO (10)
Eromanga Basin (Coal)	Baykool South	EPC 2896	800	GCR	100	New Application
	Baykool Central	EPC 2897	800	GCR	100	New Application
	Baykool North	EPC 2898	800	GCR	100	New Application
Boonah (Coal)	Boonah	EPCA 2068	39.5	GCR	100	Sold, transfer lodged (11)
	Warwick	EPC 1643	136	GCR	100	Sold, transfer lodged (11)
Chinchilla (Coal)	Chinchilla South	EPC 1655	9	GCR	100	Sold, transfer lodged (11)
	Chinchilla North	EPC 1659	15	GCR	100	Sold, transfer lodged (11)
Dalby (Coal)	Dalby	EPC 1658	18	GCR	100	Sold, transfer lodged (11)
Pentland (Coal)	Pentland	EPCA 1642	192.8	GCR	100	Sold, transfer lodged (11)
Warwick (Coal)	Warwick Extended	EPCA 1656	421	GCR	100	Sold, transfer lodged (11)
	Warwick North	EPCA 2082	51.5	GCR	100	Sold, transfer lodged (11)
SOUTH AUSTRALIA						
Coober Pedy	Oolgelima Hill	EL 4427	627	GCR	100	
	Giddinna	EL 4695	656	GCR	100	
	Stuart Range	EL 4496	576	GCR	100	New Grant
Mount Woods Inlier	Warriner Creek	EL 4426	536	GCR	100	
	Codna Hill	EL 4431	747	GCR	100	
Olympic Domain	Koolymilka	EL 4930	910	GCR	100	
WESTERN AUSTRALIA						
East Yilgarn	Mulga Tank	E 39/988	104	KER	80	EML, PWA (12)
	Mulga East	E 39/1072	152	KER	75	PWA (12)
	Mulga R	E 39/1439	3	KER	100	
	Mulga O	E 39/1440	3	KER	100	
	Mulga G	E 39/1441	3	KER	100	
	Mulga Eastside	E 39/1442	12	KER	100	
	Mulga Central West	E 39/1513	134	KER	100	
PANAMA	El Cope	2007-95	98	GCRP	100	Application; MTI (33)
ROYALTIES						**ROYALTY TYPE**
Adelong (NSW)	Adelong Gold Project	ML 1435, EL 5728, & EL 6372	198	CML	Royalty	1% gross up to 2,500 oz
Mt Boppy (NSW)	Canbelego	Mt Boppy Gold Project	2.2	PLY	Royalty	3% gross
Wyoming One (NSW)	McPhails	EL 5830	10	ALK	Royalty	Up to 5% NSR (14)
Yellow Mountain (NSW)	Yellow Mountain	Former EL 5721	110	GCO/TKR	Royalty	2% net smelter return
BrightStar Alpha (WA)	Merolia	Former E 38/970, incl M 38/968	25	SHK	Royalty	2% gross
Mt Weld Area (WA)	Mt Weld	Former E 39/636	20	SHK	Royalty	2% gross
Surat and Clarence-Moreton Basin (Qld)					Royalty	$5 per tonne (15)

Notes

(1) E/EL/ELA = Exploration Permit/Licence/Application; EPM = Exploration Permit for Metals; EPC/A = Exploration Permit/Application for Coal (UCG);
ML = Mining Lease; and PLL = Private Land Lease.

(2) Full names for abbreviated names are as follows:

ALK	Alkane Resources Limited (ASX: ALK)	PLY	Polymetals Mining Services Pty Ltd, a wholly owned subsidiary of Polymetals Mining Limited (ASX: PLY)
ARD	Argent Minerals Limited (ASX: ARD)		
CML	Challenger Mines Limited, as assignee from Tasman Goldfields NSW Pty Limited	PPO	Paradise Phosphate Limited (ASX: PPO), a subsidiary of Legend International Holdings (OTC: LGDI)
EML	Endeavour Minerals Limited	PWA	Paul Winston Askins Syndicate
GCO	Golden Cross Operations Pty Ltd, a wholly owned subsidiary of GCR	SCI	Silver City Minerals Limited (ASX: SCI)
GCRP	GCR Panama, Inc, a wholly owned subsidiary of GCR	SHK	Stone Resources Australia Limited (ASX: SHK), (formerly A1 Minerals Limited)
KER	King Eagle Resources Pty Limited, a wholly owned subsidiary of GCR		
MMG	Minerals and Metals Group Australia, a wholly owned subsidiary of MMG Limited (listed on the Hong Kong Stock Exchange)	TKR	Triako Resources Limited, a wholly-owned subsidiary of CBH Resources Limited, which is a wholly-owned subsidiary of Toho Zinc Co., Limited
MTI	MapIntec Technologies Inc.		
PDM	Paradigm Metals Ltd (ASX: PDM)	TRO	TriAusMin Minerals Limited (ASX: TRO)

(3) Silver City Minerals Limited can earn a 51% interest in gold, silver and base metals, (but excluding nickel and platinum group metals) by spending $600,000 by 8 October 2015. To earn 80%, SCI must spend another $400,000 on exploration and development activities in the subsequent two years to 8 October 2017. Endeavour Minerals may earn up to an 80% interest in nickel and platinum group metals.

(4) Minerals and Metals Group Australia has spent $550,000 by 6 February 2011 to earn an initial 51% interest in the Wagga Tank Joint Venture at the end of Stage 2 over EL 6695 and EL 7226. GCO will continue to dilute accordingly in Stage 3.

(5) Minerals and Metals Group Australia has to spend a minimum of $1,500,000 by 12 November 2014 to earn an initial 80% interest at the end of Stage 1 over EL's 7320, 7323, and 6879 for the Gilgunnia Range Joint Venture.

(6) TriAusMin earned a 62.5% interest by spending $200,000 to 13 September 2010. As at 16 August 2012, TRO had earned an interest of 68.2% by spending $418,458 on exploration. GCO's interest has diluted and is 31.8%.

(7) Argent Minerals earned 51% in the Sunny Corner Joint Venture by spending $500,000 by 1 June 2011 in Stage 1. It may earn up to 70% by the additional expenditure of $186,000 (for a total expenditure of $686,000) by July 2013.

(8) Argent Minerals has earned 51% in the West Wyalong Joint Venture by spending $750,000 by 1 June 2011. It may earn up to 70% by the additional expenditure of $1,200,000 (for a total expenditure of $1,350,000) by July 2013. Barrick Gold Corp holds a 2.5% net smelter return.

(9) TKR (CBH) has earned a 70% interest in the Yellow Mountain Joint Venture. Paradigm Metals (PDM) earned 30% by spending $400,000 by 31 March 2012, and can earn 51% by spending a further $500,000 (total of $800,000) by 31 March 2013 when TKR will dilute to a 19% interest with GCR retaining its 30% interest to that stage.

(10) Paradise Phosphate Limited (as assignee from Legend International Holdings Inc.) is earning 80% in phosphate minerals only by spending $3,000,000 by 7 December 2012. GCR has 100% rights to all other minerals and is free carried to a decision to mine for phosphate only.

(11) GCR announced the sale of the coal tenements and tenement applications in the Surat and Clarence Moreton Basin in May 2012. GCR and the buyer of them have applied to the Queensland Department of Natural Resources and Mines to transfer them from GCR to the buyer.

(12) PWA has a 20% free carried interest to decision to mine in Mulga Tank. Dilution of PWA's interest in Mulga East due to non-payment by PWA of its 25% contribution to exploration expenditure is a matter of discussion between the parties. Endeavour Minerals may earn up to a 50% interest in nickel, gold, and uranium.

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

(14) GCO holds a royalty of $0.75/t (first 0.5 Mt), then 3% net smelter return (to 150,000 oz), then 5% net smelter return. GCO's royalty interest is subject to a 10% free carried interest held by Metallic Resources Pty Ltd.

(15) GCR holds a royalty of $5.00 per tonne of saleable coal, up to a maximum of $30 million and thereafter a royalty payment of $1.00 per tonne of saleable coal produced from the Tenements for a period of twenty years. GCR also holds a royalty of 10% of wellhead value from coal seam gas production.

SHAREHOLDER INFORMATION

The shareholder information set out below was correct at 31 August 2012

1. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders are as follows:

HQ Mining Resources Holding Pty Ltd	458,940,637 shares	33.7%

(includes: 115,899,173 shares held by Yu Jin Investment Co Pte Ltd; 9,000,000 shares held by Business Universe Limited; and 200,000 shares held by Ms Xun Qiu).

Farjoy Pty Ltd and Aspac Mining Pty Ltd	179,631,950	13.2%

2. RESTRICTED SECURITIES

The Company has no restricted securities on issue.

3. VOTING RIGHTS

One vote for each ordinary share held, in accordance with the Company's constitution.

4. DISTRIBUTION OF SHARES as at 31 August 2012

Holdings Range	Holders	Total Held	%
1-1,000	175	40,883	0.003
1,001-5,000	146	592,332	0.043
5,001-10,000	204	1,786,426	0.131
10,001-100,000	1,385	65,301,905	4.795
100,001-99,999,999,999	967	1,294,179,305	95.027
Totals	**2,877**	**1,361,900,851**	**100.000**

a) There were 1,466 holders of less than a marketable parcel of fully paid shares (55,555 shares), being less than $500 worth based on the closing price of 0.9 cents per share on 31 August 2012. They amounted to 30,245,595 shares in total, or 2.22% of the total issued share capital of the Company.

b) The percentage holding of the twenty largest holders of shares was 57.39%.

5. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest registered holders of shares are listed below, as at 31 August 2012

	Name	No. Held	%
1	H Q Mining Resources Holding Pty Ltd	333,841,464	24.513
2	Yu Jin Investment Co Pte Ltd	115,899,173	8.510
3	Farjoy Pty Ltd	93,076,395	6.834
4	Aspac Mining Limited	85,555,555	6.282
5	Dr Leon Eugene Pretorius	23,133,333	1.699
6	Yandal Investments Pty Ltd	18,000,000	1.322
7	National Nominees Limited	15,066,830	1.106
8	HSBC Custody Nominees (Australia) Limited	13,820,117	1.015
9	Mr Allan John Tapp & Ms Maria Polymeneas	12,080,889	0.887
10	Technica Pty Ltd	8,490,321	0.623
11	CPU Share Plans Pty Ltd	8,340,855	0.612
12	Mr Peter David Timms	7,886,103	0.579
13	Mr Robert Cameron Galbraith	7,450,450	0.547
14	Mr Rodney Richard Little	7,000,000	0.514
15	Mr David Timms	6,061,228	0.445
16	Metallic Resources Pty Ltd	5,537,719	0.407
17	Mr Rodney John Hanson	5,176,885	0.380
18	Tarmel Pty Limited	5,139,610	0.377
19	Funding Securities Pty Ltd	5,000,000	0.367
20	Mr Malcolm Thomas Price & Mrs Mayumi Price	5,000,000	0.367
		781,556,927	**57.387**

6. EMPLOYEE OPTIONS

There are also 3,600,000 unlisted employee options on issue, due to expire on 4 July 2013, details of which are set out in the financial statements, held by current and former employees.