



GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

304/66 Berry Street
North Sydney NSW 2060
Phone (02) 9922 1266
Fax (02) 9922 1288

3 February 2017

Dear Mr Kabega,

Thank you for your letter dated 31 January 2017. Golden Cross Resources Limited (**GCR** or the **Company**) provides the following responses to your questions:

1. Yes, GCR expects to have negative cash flows for the March quarter.
2. The Company as of today is in receipt of \$250,000, being the balance of the proceeds from the sale of exploration tenement EL 5238 Cargo. (GCR ASX Announcement 1 Nov 2016). These funds, combined with existing cash, will provide adequate funds for the Company's operations for at least the March quarter. As noted in the December Quarterly Report the directors are examining capital raising alternatives and will announce any funding proposal once it is accepted by the Board.
3. Answered in 2 above.
4. The Company has a loan from HQ Mining of \$320,000 plus \$23,000 interest due for repayment on 4 February 2016. HQ Mining has indicated that it will extend the loan for 12 months on the same terms. Formal confirmation is awaited.
5. The Company confirms it is in compliance with Listing Rule 3.1 and accordingly there is no information that should be given to ASX about its financial condition that has not already been released to the market.
6. The Company confirms that the above responses have been authorised and approved in accordance with its published Continuous Disclosure Policy.

Yours sincerely

Carl Hoyer
Company Secretary

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31 January 2017

Mr Carl Hoyer
Company Secretary
Golden Cross Resources Ltd
Suite 304, 66 Berry Street
North Sydney NSW 2060

By email:

Dear Mr Hoyer,

Golden Cross Resources Limited (“GCR”): Appendix 5B Query

I refer to GCR’s Appendix 5B quarterly report for the period ended 31 December 2017 lodged with ASX Market Announcements Platform on 30 January 2017 (the “Appendix 5B”).

ASX notes that GCR has reported:

- negative net operating cash flows for the quarter of \$324,000;
- cash at the end of the quarter of \$88,000; and
- estimated cash outflows for the next quarter of \$275,000.

It is possible to conclude, based on the information in the Appendix 5B that if GCR were to continue to expend cash at the rate indicated by the Appendix 5B, GCR may not have sufficient cash to continue funding its operations. In view of that, ASX asks GCR to respond separately to each of the following questions and requests for information:

1. Does GCR expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has GCR taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does GCR expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that GCR considers may be relevant to ASX forming an opinion on whether GCR is in compliance with Listing Rule 12.2 (a listed entity’s financial condition must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that GCR is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

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6. Please confirm that GCR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GCR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **09:30am AEDT on Friday 3 February 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in GCR's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, GCR's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at Andrew.kabega@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to GCR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that GCR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in GCR's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.



You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Andrew Kabega
Senior Adviser, Listings Compliance (Sydney)

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