



ASX Announcement

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R&D Refund Received and Interim Funding Finalised

Golden Cross Resources Ltd (ASX: **GCR** or the **Company**) has put on hold a fully funded capital raising proposal with good commercial terms for the Pre-Feasibility Study (**PFS**) on the Copper Hill Project due to the calling of an extraordinary general meeting (**EGM**) by its director Mr Ian James Buchhorn. The EGM was called for the purposes of appointing further independent directors to the board of the Company (**Board**) nominated by Mr Buchhorn and was announced by the Company on 16 September 2015.

However, the Company is pleased to announce that it has today received an R&D refund in excess of \$530,000 from the Australian Tax Office (**ATO**) and concluded interim financing arrangements with its major shareholder HQ Mining Resources Holding Pty Limited (**HQ Mining**) and Mr Buchhorn to provide interim funding and that it proposes to proceed with the planned equity capital raising after further independent directors are appointed to the Board.

Highlights

- **Interest-free loans from HQ Mining and Mr Buchhorn for \$150,000 each**
- **Proposed appointment of further independent directors to the Board**
- **Proposed equity capital raising and project team establishment to conduct Pre-Feasibility Study on Copper Hill Project**
- **R&D refund of \$535,000 received**

Interim funding

The Company has entered into loan agreements with HQ Mining and Mr Buchhorn for \$150,000 each. The loans are interest-free and will be repaid at the earlier of the expiry of 12 months or the Company raising in aggregate \$500,000 through the issue of fully paid ordinary shares.

The Company welcomes the support received from its major shareholder HQ Mining and Mr Buchhorn in providing interim funding during this transitional process.

These funds will provide the Company with general working capital until the proposed equity capital raising can proceed.

Proposed appointment of further independent directors

It is proposed that further independent directors will be appointed to the Board at the Company's next general meeting. The current Board is committed to ensuring the Company has a majority of independent directors and providing the leadership required to take the Company forward.

Proposed equity capital raising

Following the establishment of an expanded Board, the Company intends to renew the capital raising efforts to fund the PFS on its Copper Hill Project which will build on the positive Scoping Study completed in April 2015. The PFS will investigate the viability of a 2 – 3 million tonne per annum (mtpa) mining and processing operation based on the central higher grade mineralisation at Copper Hill and include a review of several optimisation opportunities identified in the Scoping Study.

As part of this program the Company intends to establish a strong leadership team with project development skills to complete the PFS and future project development activities.

R&D Refund

The Company has received in excess of \$535,000 from the Australian Tax Office (ATO) being the 2013 and 2015 R&D refunds announced by the Company on 10 August 2015. Planning for the PFS on its Copper Hill Project work program and establishment of the project team is expected to commence shortly.

Jingmin Qian

Interim Chairman

Further information, contact Ken Hellsten on (02) 9472 3500