

GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

304/66 Berry Street
North Sydney NSW 2060
Phone (02) 9922 1266
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NOTICE OF 2016 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2016 Annual General Meeting of the members of Golden Cross Resources Ltd (the **Company**) will be held at 304/66 Berry Street, North Sydney, NSW 2060 at 2.00 pm on Tuesday 29 November 2016.

1. Financial Report

To receive and consider the Financial Report of the Company and the reports of the Directors and Auditor for the year ended 30 June 2016.

2. Re-election of Mr Xiaoming Li as a Director

To consider and, if thought fit, pass as an Ordinary Resolution:

“To re-elect as a Director of the Company Mr Xiaoming Li, being a Director retiring by rotation in accordance with Rule 17.2 of the Company’s Constitution who offers himself for re-election.”

3. Election of Mr Ken Hellsten as a Director

To consider and, if thought fit, pass as an Ordinary Resolution:

“To elect as a Director of the Company Mr Ken Hellsten, being a Director retiring in accordance with Rule 16.4(b) of the Company’s Constitution who offers himself for re-election.”

4. Remuneration Report

To consider and, if thought fit, pass as a non-binding resolution:

“To adopt the Remuneration Report for the year ended 30 June 2016.”

5. Approval of additional Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: *The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities and any associates of those persons, if the Resolution is passed. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

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EXPLANATORY NOTES

Shareholders who elected to receive printed copies of the 2016 Annual Report of the Company (including the Financial Report of the Company and the reports of the Directors and Auditor for the year ended 30 June 2016) will do so simultaneously or will have done so before their receipt of this notice. Those reports are also available on the Company's website www.goldencross.com.au.

Included in the 2016 Annual Report of the Company is the Directors' Report, which includes details of the qualifications, experience, and special responsibilities of Mr Li and Mr Hellsten, and the Remuneration Report of the Company, which contains remuneration details of the Directors and Key Management Personnel.

Shareholders will have a reasonable opportunity for discussion of the Remuneration Report at the meeting. While there is a requirement for a formal resolution on this item under section 250R(2) of the *Corporations Act 2001*, the resolution is advisory only. It does not bind the Company or Directors, although Directors will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

ITEM 5 APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

1.1 General

Listing Rule 7.1 permits entities to issue up to 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital over a 12 month period after the annual general meeting (**Additional Placement Capacity or 10% Placement Capacity**).

The Company seeks Shareholder approval under Resolution 5 to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in Listing Rule 7.1A.2 (set out below).

1.2 Requirements of Listing Rule 7.1A

(a) *Eligible Entities*

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

(b) *Shareholder approval*

Shareholders must approve the Additional Placement Capacity by special resolution at the Annual General Meeting. A resolution under Listing Rule 7.1A cannot be put at any other shareholder meeting.

(c) **Equity Securities**

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has one class of Equity Securities quoted on ASX, being fully paid ordinary Shares (ASX: GCR).

(d) **Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity**

If Resolution 5 is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A	The number of fully paid ordinary shares on issue 12 months before the date of issue or date of agreement to issue: <ul style="list-style-type: none"> • plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2; • plus the number of partly paid ordinary shares that became fully paid in the 12 months; • plus the number of fully paid ordinary shares issued in the 12 months with the approval of shareholders under Listing Rules 7.1 or 7.4; • less the number of fully paid ordinary shares cancelled in the 12 months.
D	10%
E	The number of Equity Securities issued or agreed to be issued under Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

(e) **Interaction between Listing Rules 7.1 and 7.1A**

The Additional Placement Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 5 is passed, the Company will be permitted to issue (as at the date of this Notice):

- 15,243,334 Equity Securities under Listing Rule 7.1; and
- 10,162,223 Equity Securities under Listing Rule 7.1A.

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The actual number of Equity Securities that the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

The effect of Resolution 5 will be to allow the Company to issue securities under Listing Rule 7.1A in addition to the Company's placement capacity under Listing Rule 7.1.

1.3 **Information for Shareholders as required by Listing Rule 7.3A**

(a) ***Minimum price***

The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price of the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date above, the date on which the Equity Securities are issued.

(b) ***Date of Issue***

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) ***Risk of economic and voting dilution***

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows:

- (i) two examples where variable 'A' has increased by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro

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rata entitlements issue or scrip issued under a takeover offer) or specific placements under Listing Rule 7.1 that are approved at this Meeting or a future Shareholders' meeting; and

- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Issued Capital (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.018 50% decrease in Issue Price	\$0.035 Issue Price	\$0.07 100% increase in Issue Price
101,622,227 (current issued shares)	Shares issued - 10% voting dilution	10,162,233	10,162,233	10,162,223
	Funds raised	\$177,839	\$355,678	\$711,356
152,433,341 (Current plus 50%)	Shares issued - 10% voting dilution	15,243,334	15,243,334	15,243,334
	Funds raised	\$226,758	\$533,517	\$1,067,033
203,244,454 (100% increase in Issued Capital)	Shares issued - 10% voting dilution	20,324,445	20,324,445	20,324,445
	Funds raised	\$355,678	\$711,356	\$1,422,711

**The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.*

The table above uses the following assumptions:

1. There are currently 101,622,227 Shares on issue as at the date of the Notice.
2. The issue price set out above is the closing price of the Shares on the ASX on 26 October 2016.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1, including any dilution that may result from any issue of shares in accordance with the approval under Resolution 6 (if passed).
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

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8. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue, but subject to the minimum price requirements set out in paragraph 1.3(a) above.

(d) ***Purpose of Issue under 10% Placement Capacity***

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration, in which case the Company intends to use funds raised for the acquisition of new assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets, the review of technologies for and general working capital; or
- (ii) as non-cash consideration for the acquisition of new assets and investments or for payment of goods or services provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) ***Allocation policy under the 10% Placement Capacity***

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

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- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new assets or investments.

(f) ***Previous approval under ASX Listing Rule 7.1A***

The Company did not obtain approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 16th December 2015. However approval had been obtained at its annual general meeting held on 28 November 2014 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval and the Previous Approval has since expired. The approval being sought at the Annual General Meeting is in place of the Previous Approval and is not in addition to the Previous Approval.

(g) ***Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A***

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

1.4 Special resolution

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the meeting must be in favour of Resolution 5 for it to be passed.

1.5 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

1.6 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

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VOTING ENTITLEMENTS

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the meeting, shares will be taken to be held by those persons recorded on the Company's share register at 2.00 pm Sydney time on Sunday 27 November 2016 (48 hours prior to the meeting). This means that any person not the registered holder of a relevant share at that time will not be entitled to attend and vote at the meeting.

PROXIES

A member entitled to attend and vote is entitled to appoint not more than two persons as his or her proxy to attend and vote instead of the member. A proxy need not be a member of the Company. If more than one proxy is appointed, the proxy form may specify the proportion or number of the member's votes that each proxy may exercise. If the proxy form does not specify a proportion or number of votes then each proxy may exercise half of the member's votes.

To be effective, proxy forms must be received by the Company at the address or fax number appearing on this notice at least 48 hours before the time for commencement of the meeting.

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All Correspondence to:

- ✉ By Mail Golden Cross Resources Ltd
304/66 Berry Street, North Sydney
2060
- 📠 By Fax: +61 2 9922 1288
- 💻 Online: carolyn@goldencross.com.au
- ☎ By Phone: +61 2 9922 1266

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded before 2:00pm (AEDT) on Tuesday 29 November 2016

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered security holder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form must be signed as follows:

Individual: This form is to be signed by the security holder.

Joint Holding: where the holding is in more than one name, all the security holders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **2:00pm (AEDT) on Sunday, 27 November 2016 (48hrs prior to the meeting)**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged:

- 📠 By Fax + 61 2 9922 1288
- ✉ By Mail Golden Cross Resources Ltd
304/66 Berry Street North Sydney 2060
- 👤 In Person Golden Cross Resources Ltd
Suite 304, 66 Berry Street, North Sydney
2060
- 💻 By email carolyn.jacobs@goldencross.com.au

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Golden Cross Resources Ltd

ABN 65 063 075 178

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of Golden Cross Resources Ltd and entitled to attend and vote hereby appoint:

the Chair of the Meeting (mark box)

OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

[Empty box for proxy name]

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at Golden Cross Resources Ltd's office 304/66 Berry Street, North Sydney NSW 2060 on Tuesday, 29 November at 2:00pm (AEDT) and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 to 4, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolution 3 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 to 4). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

	FOR	AGAINST	ABSTAIN*
Res 2 Re-election of Mr Xiaoming Li as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 3 Election of Mr Ken Hellsten as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 4 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 5 Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

[Signature box for Individual or Securityholder 1]

Sole Director and Sole Company Secretary

Securityholder 2

[Signature box for Securityholder 2]

Director

Securityholder 3

[Signature box for Securityholder 3]

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2016