



HQ Mining Resources Holding Pty Ltd

The Manager
Company Announcements Office
ASX Limited

14 December 2015
Matter 82455822

Dear Sir / Madam

Confidential

Takeover bid by HQ Mining Resources Holding Pty Ltd ABN 38 133 870 256 for Golden Cross Resources Limited – Completion of dispatch of bidder's statements

We, HQ Mining Resources Holding Pty Ltd (ABN 38 133 870 256) (**HQ Mining**) attach by way of service pursuant to item 8 of section 633(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a notice stating that HQ Mining has today completed sending its bidder's statements to offerees under item 6 of section 633(1) of the *Corporations Act* in relation to its off market takeover bid for all the ordinary shares in Golden Cross Resources Limited.

Yours sincerely

Yan Li
Director
HQ Mining

This is an important document and requires your immediate attention.

If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately.

Bidder's Statement

containing an Offer by

HQ Mining Resources Holding Pty Ltd
ABN 38 133 870 256

to purchase all of your ordinary shares in

Golden Cross Resources Ltd
ABN 65 063 075 178

for

7.0 cents per Share in cash

The Offer is scheduled to close on 29 January 2016, unless extended or withdrawn.

Legal Adviser



**HERBERT
SMITH
FREEHILLS**

Financial Adviser

TC CORPORATE

Corporate & Financial Advisers

Key dates

Date of this Bidder's Statement	24 November 2015
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Date of Offer	11 December 2015
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Offer closes (unless extended or withdrawn)	7.00pm (Sydney time) on 29 January 2016
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Key Contacts

HQ Mining Share Registry for the Offer	Offer Information Line
Computershare Investor Services Pty Limited	1300 951 450 (from within Australia)
Yarra Falls	+61 2 8022 7902 (from outside Australia)
452 Johnston Street	
Abbotsford VIC 3067	

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Corporate directory

Important information

This Bidder's Statement is issued by HQ Mining Resources Holding Pty Ltd ABN 38 133 870 256 (**HQ Mining**) under Part 6.5 of the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 24 November 2015. Neither ASIC nor its officers take any responsibility for the content of this Bidder's Statement.

Investment advice

In preparing this Bidder's Statement, HQ Mining has not taken into account the individual objectives, financial situation or needs of individual Golden Cross shareholders. The information and recommendations contained in this Bidder's Statement do not constitute, and should not be taken as, financial product advice. Accordingly, before making a decision whether or not to accept the Offer, you may wish to consult with your financial or other professional adviser.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Golden Cross and HQ Mining operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of HQ Mining, the officers of HQ Mining, any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forwarding looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Disclaimer as to Golden Cross information

The information on Golden Cross, Golden Cross' securities and Golden Cross Group contained in this Bidder's Statement has been prepared by HQ Mining using publicly available information.

Information in this Bidder's Statement concerning Golden Cross' business has not been independently verified by HQ Mining. Accordingly HQ Mining does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Further information relating to Golden Cross' business may be included in Golden Cross' target's statement which Golden Cross must provide to its shareholders in response to this Bidder's Statement.

Privacy

HQ Mining has collected your information from the Golden Cross register of shareholders for the purpose of making this Offer and, if accepted, administering a record of your acceptance of HQ Mining's Offer for your holding of Shares. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to HQ Mining's related bodies corporate and external service providers, and may be required to be disclosed to regulators such as ASIC.

The registered address of HQ Mining is:

Level 2
220 George Street
Sydney, NSW 2000.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in section 11 of this Bidder's Statement, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

Chairman's letter

24 November 2015

Dear Shareholders

Takeover bid for Golden Cross

On behalf of HQ Mining, I am pleased to provide you with this all cash offer to acquire all of your shares in Golden Cross.

If you accept our Offer, you will receive 7.0 cents cash per Share ("**Offer Price**") for each share in Golden Cross that you hold, subject to the Offer becoming unconditional.

We believe that our all cash Offer provides you with an opportunity to realise both certainty and value for your Shares. It is an attractive alternative to the highly dilutive and conditional funding package proposed by Golden Cross, which is to be voted on at the upcoming annual general meeting ("**AGM**") and that HQ Mining believes is not in the best interests of all Golden Cross shareholders ("**Shareholders**").

HQ Mining's Offer is conditional on Shareholders not approving any of the resolutions at the AGM that relate to the issue of new Securities.¹

HQ Mining will vote against all of the resolutions seeking approval for the issue of Shares at the AGM.²

Offer price premium

The Offer Price of 7.0 cents per Share represents a premium of 20.7% to the closing price of 5.8 cents per Share on Friday, 23 October 2015 (being the last trading day prior to Golden Cross' announcement of HQ Mining's interest in making a bid for Golden Cross).

Reasons to accept the Offer

HQ Mining is offering all cash consideration for your Shares. The certainty of HQ Mining's all cash Offer should be compared to the risks and uncertainties of remaining as a Shareholder, including direct exposure to the current:

- depressed equity capital markets for mining development companies;
- difficult general economic conditions in the mining industry; and
- struggling market for copper and gold developers and producers globally.

Furthermore, it is uncertain for how long this environment will continue.

The Offer provides you with an opportunity to dispose of all your Shares and to realise full and certain value for your entire shareholding in Golden Cross.

Shareholders should consider that:

- if you accept the Offer, you will also avoid the medium to long term operating and project development risks associated with being a shareholder in Golden Cross;
- the Offer allows you to sell all your shareholding in Golden Cross, a stock that has relatively low trading liquidity;

¹ Other than the issue of 543,734 Shares to Ken Hellsten under the terms of his employment contract.

² Other than the issue of 543,734 Shares to Ken Hellsten under the terms of his employment contract.

- there is no competing offer and any such competing offer is unlikely; and
- there are risks associated with being a minority shareholder in Golden Cross.

Further reasons for accepting the Offer are set out in Section 1 of this Bidder's Statement.

Limited conditions of the Offer

Our Offer is subject to limited conditions being only that HQ Mining becomes entitled to not less than 50.1% of Golden Cross' issued share capital, no prescribed occurrences, no regulatory action and shareholders not approving the issue of any new Securities³ (including at the upcoming AGM).

HQ Mining's funding proposal for the PFS

In circumstances where HQ Mining's Offer becomes unconditional but HQ Mining is not entitled to acquire all the Shares in Golden Cross, HQ Mining currently intends to procure that Golden Cross undertakes a pro-rata rights issue to fund the costs of the Copper Hill project pre-feasibility study. Further detail regarding HQ Mining's intentions in these circumstances is contained in section 7.3 of this Bidder's Statement.

Further details of the Offer

Details of the Offer, including its terms and conditions, are set out in this Bidder's Statement. We encourage you to read this Bidder's Statement in its entirety, together with the target's statement, and then to accept the Offer as soon as possible. In order to be valid, your acceptance must be received before 7.00pm (Sydney time) on 29 January 2016, which, unless extended or withdrawn, is the closing date of the Offer.

To accept the Offer, please follow the instructions on the accompanying Acceptance Form. If you require additional assistance, please call the Offer Information Line on 1300 951 450 (from within Australia) or +61 2 8022 7902 (from outside Australia).

We appreciate your consideration of our Offer.

Yours sincerely



Xiaoming Li
Chairman
HQ Mining

³ Other than the issue of 543,734 Shares to Ken Hellsten under the terms of his employment contract.

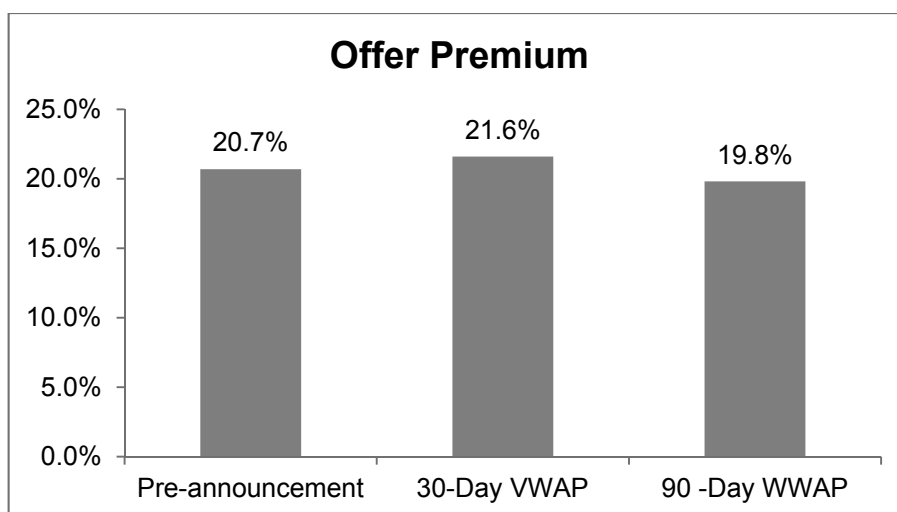
1 Why you should accept the Offer

1. The Offer is at a 20.7% premium to the Share price before Golden Cross announced HQ Mining's interest in making a bid for Golden Cross
2. The all-cash Offer provides certain value and a clean exit from the risks associated with investment in a junior mining company
3. The Share price may fall if the Offer is unsuccessful
4. If you accept the Offer, you will also avoid the medium to long term operating and project development risks associated with being a shareholder in Golden Cross
5. The Offer allows you to sell all your shareholding in Golden Cross, a stock that has relatively low trading liquidity
6. There is no competing offer and any such competing offer is unlikely
7. There are risks associated with being a minority shareholder in Golden Cross

1.1 The Offer is at a 20.7% premium to the share price before Golden Cross announced HQ Mining's interest in making a bid for Golden Cross

Based on the price of Shares up to and including Friday, 23 October 2015, being the last trading day prior to Golden Cross' announcement of HQ Mining's interest in making a bid for Golden Cross, the Offer Price represents a premium of:

- 20.7% to the closing price of 5.8 cents per Share on Friday, 23 October 2015;
- 21.6% to the 30 day VWAP of 5.76 cents per Share; and
- 19.8% to the 90 day VWAP of 5.84 cents per Share.



Prior to Golden Cross' announcement of HQ Mining's interest in making a bid for Golden Cross, Golden Cross' shares had not closed above the Offer Price since 23 February 2015.

1.2 The all-cash Offer provides certain value and a clean exit from the risks associated with investment in a junior mining company

HQ Mining is offering all cash consideration for your Shares. The certainty of HQ Mining's cash Offer should be compared to the risks and uncertainties of remaining as a Shareholder. The risks associated with an investment in a junior mining company such as Golden Cross include direct exposure to the current:

- depressed equity capital markets for mining development companies;
- difficult general economic conditions in the mining industry; and
- struggling market for copper and gold developers and producers globally.

In addition there are various risks which apply to all resource development companies on ASX:

- availability of short term and medium to long term funding;
- geological and project development;
- exploration and production;
- commodity prices;

- foreign exchange rates; and
- regulation and government actions.

The Offer provides an opportunity to dispose of all your Shares and to realise full and certain value for your entire shareholding in Golden Cross.

1.3 The share price may fall if the Offer is unsuccessful

The Offer is at a substantial premium to recent historical trading prices in Shares for Golden Cross.

If the Offer is unsuccessful the trading price for Your Shares may fall and trade at prices even lower than the price immediately prior to the announcement of HQ Mining's intention to make a bid for Golden Cross.

If the Offer is unsuccessful those Shareholders looking to sell would be forced to sell their Shares in the open market, which could cause significant selling pressure on Golden Cross Shares and cause a fall in the Share price.

1.4 If you accept the Offer, you will also avoid the medium to long term operating and project development risks associated with being a shareholder in Golden Cross

Golden Cross' operations include mineral exploration and development activities, which require substantial resources, expertise and capital expenditure.

Remaining as a shareholder in Golden Cross will mean that you will continue to be exposed to the risks related to resources exploration and development projects including:

- geological and environmental risk;
- funding risk;
- political and regulatory risk; and
- general economic risk.

For example, leaving aside all of Golden Cross' other projects, simply to develop a concentrator process plant at the Copper Hill project, Golden Cross estimates the capital cost will be between \$130m and \$164m⁴. If equity funding is required to undertake this capital program, Shareholders may be required to invest additional capital or suffer material dilution.

The Offer presents an opportunity for Shareholders to receive a certain cash amount for their Shares, avoiding the risks outlined above.

1.5 The Offer allows you to sell all your shareholding in Golden Cross, a stock that has relatively low trading liquidity

Shares have historically had relatively low trading liquidity on ASX. In the 150 trading days prior to Golden Cross' announcement of HQ Mining's interest in making a bid for Golden Cross, the average daily value traded in Golden Cross Shares was less than \$1120.

This Offer provides you with an opportunity to dispose of all of your Shares in a single transaction for a certain value and remove any exposure to the future risks of holding shares in Golden Cross.

⁴ See Golden Cross announcement of 15 April 2015.

If you do not accept the Offer, and your Shares are not subject to compulsory acquisition by HQ Mining, the market for Shares may become less liquid than at present.

If you do not accept the Offer, and your Shares are subject to compulsory acquisition by HQ Mining, you will face a delay in being paid the consideration for your Shares compared with Shareholders who accept the Offer during the Offer Period.

In the absence of the Offer, the amount that you may be able to realise for your Shares will be uncertain. The certainty provided by receiving cash (subject to the satisfaction of the conditions of the Offer) should be compared with the risks and uncertainties associated with remaining as a Shareholder.

1.6 There is no competing offer and any such competing offer is unlikely

As at the date of this Bidder's Statement, the Offer is the only available offer for all of your Shares. HQ Mining believes that the likelihood of a rival bidder emerging is low. HQ Mining is Golden Cross' largest shareholder, with a 23.4% relevant interest in Golden Cross as at the date of this Bidder's Statement.

1.7 There are risks associated with being a minority shareholder in Golden Cross

If HQ Mining achieves voting power sufficient to control Golden Cross but Golden Cross remains listed on the ASX, the market for your Shares may be less liquid or less active than at present, exposing remaining Shareholders to greater uncertainty. This could also make it more difficult to sell Shares at an attractive price in the future.

If the number of Shareholders is less than that required by the ASX Listing Rules then ASX may suspend and/or de-list Golden Cross. If this occurs, any remaining Shareholders will not be able to sell their Shares on-market. There may be a reduced likelihood of a subsequent takeover bid for Golden Cross from parties other than HQ Mining if Golden Cross is de-listed.

If Golden Cross remains listed, a subsequent takeover bid for Golden Cross from parties other than HQ Mining may be less likely in the event that HQ Mining holds a significant proportion of the Shares.

2 Summary of the Offer

What HQ Mining is offering to buy	HQ Mining is offering to buy all Golden Cross shares, including Shares that are issued during the Offer Period whether due to the conversion of Options or otherwise, on the terms set out in this Bidder's Statement. You may only accept this Offer in respect of all the Shares held by you.
What you will receive if you accept the Offer	If you accept the Offer you will, subject to the satisfaction of the conditions to the Offer, be paid 7.0 cents for each of Your Shares.
When you will be paid	Generally, HQ Mining will pay the consideration due to you under the Offer on or before the earlier of: • one month after this Offer is accepted or one month after all of the conditions have been freed or fulfilled (whichever is the later); and • 21 days after the end of the Offer Period. Full details of when payments will be made are set out in section 10.6 of this Bidder's Statement.
Will you need to pay brokerage or stamp duty on acceptances	If your Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to HQ Mining, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer. If your Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Shares are registered in the name of a broker, bank, custodian, or other nominee, you will not be obliged to pay stamp duty by accepting the Offer, but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.
Close of the Offer	The Offer closes at 7.00pm (Sydney time) on 29 January 2016, unless it is extended or withdrawn under the Corporations Act.
There are some conditions to the Offer	The Offer is subject to the following conditions: • a minimum acceptance condition of 50.1%; • no 'prescribed occurrences' occurring in relation to Golden Cross;

- no regulatory action taken to impede the Offer; and
- no approval by Golden Cross shareholders of the issue of any new Securities⁵.

Full terms of the conditions are set out in section 10.7 of this Bidder's Statement.

What happens if the conditions of the Offer are not satisfied or waived

If the conditions of the Offer are not satisfied or waived by the end of the Offer Period, the Offer will lapse and your acceptance will be void.

In particular, the Offer is conditional on Golden Cross shareholders not approving the issue of any new Securities (including at the upcoming annual general meeting) before the end of the Offer Period (other than the issue of Shares to Ken Hellsten under the terms of his employment contract).

Offer in respect of Options

HQ Mining is not making a separate offer to holders of Options.

Option holders whose Options are converted into Shares during the Offer Period will be able to accept the Offer in respect of the Shares which they are issued.

How do you accept the Offer

You may only accept the Offer for all your Shares.

Issuer sponsored shareholders

If your Shares are registered in an Issuer Sponsored Holding (such holdings will be evidenced by an 'I' appearing next to your holder number on the enclosed Acceptance Form), to accept this Offer, you must complete and sign the Acceptance Form enclosed with this Bidder's Statement and return it to the address indicated on the form before the Offer closes.

CHESS shareholders

If your Shares are registered in a CHESS Holding (such holdings will be evidenced by an 'X' appearing next to your holder number on the enclosed Acceptance Form), you may accept the Offer by either:

- completing and signing the Acceptance Form enclosed with this Bidder's Statement and returning it to the address indicated on the form; or
- instructing your Controlling Participant (normally your broker) to accept the Offer on your behalf,

before the Offer closes.

Participants

If you are a Participant, acceptance of this Offer must be initiated in accordance with rule 14.14 of the ASX Settlement Operating Rules before the Offer closes.

Full details on how to accept the Offer are set out in section 10.3 of this Bidder's Statement.

⁵ Other than the issue of 543,734 Shares to Ken Hellsten under the terms of his employment contract.

Can you accept the Offer for part of your holdings

No. You cannot accept for part of your holding. You can only accept the Offer for ALL of Your Shares.

What if you are a foreign shareholder

Foreign shareholders will be paid the same cash consideration as stipulated under the Offer. However, the tax implications under the Offer for those foreign shareholders may be different from those relating to Australian resident shareholders. You will be paid in Australian dollars by cheque drawn on an Australian bank branch.

What happens if you do not accept the Offer

You will remain a Golden Cross shareholder and will not receive the cash consideration under the Offer. If HQ Mining becomes entitled to compulsorily acquire your Shares, it intends to proceed with the compulsory acquisition.

If your Shares are compulsorily acquired by HQ Mining, it will be on the same terms (including the same consideration for each Share acquired) as the Offer. However, you will receive the money later than Shareholders who choose to accept the Offer during the Offer Period.

Once accepted, can I withdraw my acceptance

Once you accept the Offer, you will be unable to revoke your acceptance unless a withdrawal right exists or arises under the Corporations Act. Such a right may arise if, after you have accepted the Offer and the Offer remains conditional, HQ Mining varies the offer in a way that postpones, for more than one month, the time by which HQ Mining has to meet its obligations under the Offer. If this occurs, a notice will be sent to you at the relevant time that explains your rights to withdraw your acceptance of the Offer.

See section 10.5 of this Bidder's Statement for further details.

Where to go for further information

For queries on how to accept the Offer, see the enclosed Acceptance Form.

For all other queries in relation to the Offer, please contact the Offer Information Line on 1300 951 450 (from within Australia) or +61 2 8022 7902.

Important notice

The information in this section 3 is a summary only of HQ Mining's Offer and is qualified by the detailed information set out elsewhere in this Bidder's Statement.

You should read the entire Bidder's Statement and the target's statement that Golden Cross will shortly be sending to you, before deciding whether to accept the Offer.

3 Information on HQ Mining

3.1 Overview of Bidder

The bidder under the Offer is HQ Mining.

HQ Mining is the Australian investment vehicle of Mr Xiaoming Li.

HQ Mining currently holds a relevant interest in 23.4% (23,687,033 shares) of the shares in Golden Cross.⁶ This number includes Shares in which HQ Mining has a relevant interest through Shares held by Yu Jin Investment Co Pte Ltd and Business Universe Limited. Each of these entities is an associate of HQ Mining.

3.2 Directors

Brief profiles of the directors of HQ Mining as at the date of this Bidder's Statement are as follows:

Xiaoming Li - Chairman

Mr Xiaoming Li has been a director and shareholder of HQ Mining since December 2008 and a director and beneficial shareholder of Golden Cross since January 2009. Mr Xiaoming Li is the Chairman of Qinglong (International) Group and Hong Kong Lung Ming Group.

Mr Xiaoming Li has over 20 years of experience in mining investment and operation and has successfully invested in a number of significant iron, copper, zinc and lead mines in Mongolia, Cambodia and China.

Yan Li

Mr Yan Li has been a director of HQ Mining since September 2009. Mr Yan Li is an alternate director of Golden Cross for Xiaoming Li. He is also a director of Beijing Shiki Qinlong Hi-Tech Co. Ltd.

Mr Li has an executive MBA from the People's University of China.

Xun (Suzanne) Qiu

Ms Qiu has been a director and shareholder of HQ Mining since October 2008. Ms Qiu was a non-executive director of Golden Cross from 2009 to 2014 and was a member of the Remuneration and Nomination Committee and the Audit Committee of Golden Cross from 2009 to 2014. She is also an administration director at Yuhu Group (Australia) Pty Ltd.

Ms Qiu is a marketing and tour management professional with seven years' experience in the tourism industry with particular emphasis on Chinese Government delegations. She has introduced over 100 groups of Chinese delegates to various industries and councils across Australia.

⁶ HQ Mining has a direct holding of 16.761% (16,942,074 shares) of the shares in Golden Cross.

4 Information on Golden Cross and Golden Cross Group

4.1 Important information

The following information about Golden Cross is based on public information and has not been independently verified. Accordingly, HQ Mining does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information on Golden Cross and the Golden Cross Group in this Bidder's Statement should not be considered comprehensive.

Golden Cross Shareholders should refer to the target's statement for further information about Golden Cross and the Golden Cross Group.

4.2 Overview of Golden Cross

Golden Cross is the holding company of the Golden Cross Group. The Golden Cross Group is a mineral explorer with a copper-gold focus. Its major activity is the Molong-Copper Hill copper-gold project in central NSW. The Golden Cross Group also has other projects across Australia as well as joint ventures funded and managed by Golden Cross' partners.

4.3 Directors

As at the date of this Bidder's Statement, there are seven directors of Golden Cross. The directors of Golden Cross are as follows:

Jingmin Qian - *Non-Executive Director - Interim Chairman*

Xiaoming Li⁷ – *Non-Executive Director*

Yuanheng Wang – *Non-Executive Director*

Ian James Buchhorn – *Non-Executive Director*

Neil Fearis – *Non-Executive Director*

Robert Thomson – *Non-Executive Director*

Mark Sykes – *Non-Executive Director*

⁷ Xiaoming Li is also a director of HQ Mining.

4.4 History, structure and ownership

Golden Cross was incorporated in 1994 and listed on ASX in 1996. Based on its 2015 Annual Report released on 3 November 2015, the following persons and entities were substantial holders of Shares:

Substantial holder	Relevant interest
HQ Mining	23.4% ⁸
Heron Resources Ltd	18.8%
Farjoy Pty Ltd and Aspac Mining Pty Ltd	8.8%

4.5 Principal activities of Golden Cross and Golden Cross Group

The principal activities of the Golden Cross Group consist of mineral exploration and development, with a focus on exploration for gold and base metals, principally copper. Below is a description of some of its core projects, being the Copper Hill Project and Cargo Gold Project. In addition, Golden Cross has a diverse range of prospects outside the core Copper Hill and Cargo Projects, reflecting its history of active exploration, mainly in New South Wales. Many of these projects are now subject of joint ventures and the remainder are available for farm-in.

(a) Copper Hill Project

Golden Cross has a 100% interest in the Copper Hill Project, which is a porphyry copper-gold mineralisation located near Molong, central New South Wales.

(b) Cargo Gold Project

Golden Cross has a 100% interest in the Cargo Gold Project, a mine hosting copper and gold mineralisation in the Molong Volcanic Belt in New South Wales.

(c) South Australia – Gawler Craton IOCG Exploration

Golden Cross retains four tenements within the northern Gawler in South Australia. The tenements contain a number of coincident gravity-magnetic anomalies potentially reflecting the presence of Prominent Hill – Carrapateena-type iron oxide copper gold deposits.

4.6 Other material information about the Golden Cross Group

Golden Cross will have the opportunity to disclose in its target's statement any information about the Golden Cross Group it considers Shareholders would reasonably require in order to make an informed assessment as to whether or not to accept the Offer.

⁸ Includes the 6,044,959 Shares held by Yu Jin Investments Co Pte Ltd and the 450,000 Shares held by Business Universe Limited, in respect of which HQ Mining has a relevant interest.

4.7 Publicly available information about Golden Cross Group

Golden Cross is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Golden Cross is subject to the listing rules of ASX which require continuous disclosure of any information Golden Cross has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. The Golden Cross file is available for inspection at ASX during normal business hours.

In addition, Golden Cross is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Golden Cross may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Golden Cross is available in electronic form from: <http://www.goldencross.com.au/>.

5 Information on Golden Cross' securities

5.1 Golden Cross' issued securities

According to documents provided by Golden Cross to ASX, as at the date of this Bidder's Statement, Golden Cross' issued securities consisted of:

- 101,078,493 Shares; and
- 500,000 Options.

5.2 Golden Cross Employee Option Plan

According to documents provided by Golden Cross to ASX, as at the date of this Bidder's Statement, Golden Cross currently has an Employee Option Plan in operation. Under the Employee Option Plan, in addition to salaries, Golden Cross Group provides benefits to certain employees (including directors) of the Golden Cross Group in the form of Options. The key terms of the Employee Option Plan are set out below:

- The number of employee Options on issue at any time must not exceed 5% of the issued capital of Golden Cross at that time.
- All employees (including directors and consultants) of the Golden Cross Group are eligible to participate in the Employee Option Plan.
- Employee Options are issued following a recommendation to the Board of Golden Cross by the Remuneration and Nomination Committee of Golden Cross, in consideration of an employee's efforts undertaken on behalf of Golden Cross.
- The issue of Options to directors of Golden Cross requires shareholder approval.
- Options vest as follows:
 - Grant date: 10%
 - After 1 year: 30%
 - After 2 years: 60%
 - After 3 years: 100%.

- Each Option can be exercised to receive 1 Share in Golden Cross.

5.3 Options

According to documents provided by Golden Cross to ASX, Options have been issued by Golden Cross under the Employee Option Plan pursuant to shareholder approval at its 2014 Annual General Meeting.

So far as is known to Bidder, the exercise prices and expiry dates for the Options on issue as at the date of this Bidder's Statement are as follows:

Holder	Exercise price	Expiry date	Number issued
Jingmin Qian	\$0.14	28 November 2017	250,000
Ian Buchhorn	\$0.14	28 November 2017	250,000

5.4 Interests in Golden Cross securities

As at the date of this Bidder's Statement:

- HQ Mining's voting power in Golden Cross was 23.4%; and
- HQ Mining had a relevant interest in 23,687,033 Shares.

As at the date of the Offer:

- HQ Mining's voting power in Golden Cross was 23.4%; and
- HQ Mining had a relevant interest in 23,687,033 Shares.

5.5 Dealings in Shares and Options

(a) Previous 4 months

Neither HQ Mining nor any associate of HQ Mining has provided, or agreed to provide, consideration for Shares or Options under any purchase or agreement during the 4 months before the date of this Bidder's statement.

(b) Period before Offer

Neither HQ Mining nor any associate of HQ Mining has provided, or agreed to provide, consideration for Shares or Options under any purchase or agreement during the period starting on the date of this Bidder's statement and end on the date immediately before the date of the Offer.

5.6 Recent share price performance of Golden Cross

The latest recorded sale price of Shares on ASX before the Announcement Date was 7.0 cents as at close of trading on ASX on 11 November 2015.

The latest recorded sale price of Shares on ASX before the date on which this Bidder's Statement was lodged with ASIC was 7.0 cents.

5.7 Effect of the Offer on Options

The Offer extends to Shares that are issued on the exercise of Options during the period from the Register Date to the end of the Offer Period.

If Bidder and its associates have relevant interests in at least 90% of the Shares during, or at the end of the Offer Period, Bidder will (if it and its associates have a relevant interest in more than 90% of Shares at the time) give a notice of compulsory acquisition to all outstanding Golden Cross shareholders, even if the Shares to which those notices relate are issued:

- after the Offer closes but before the notices are given (pursuant to section 661A(4)(b) of the Corporations Act); or
- on exercise of Golden Cross Options, up to 6 weeks after the notices are given (pursuant to section 661A(4)(c) of the Corporations Act).

If not all of the Golden Cross Options are acquired by HQ Mining or cancelled pursuant to agreements or other arrangements, and HQ Mining is entitled to compulsorily acquire any outstanding Shares, HQ Mining presently intends to seek to compulsorily acquire or cancel any outstanding Options pursuant to Part 6A.2 of the Corporations Act, although it reserves the right not to do so.

5.8 No pre-Offer benefits

During the period of 4 months before the date of this Bidder's Statement, neither HQ Mining nor any associate of HQ Mining gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept the Offer; or
- dispose of Shares,

and which is not offered to all holders of Shares under the Offer.

During the period from the date of this Bidder's Statement to the date before the date of the Offer, neither Bidder nor any associate of Bidder gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an associate of the other person, to:

- accept the Offer; or
- dispose of Shares,

and which is not offered to all holders of Shares under the Offer.

5.9 No escalation agreements

Neither HQ Mining nor any associate of HQ Mining has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

6 Sources of consideration

6.1 Total cash consideration

The consideration for the acquisition of the Shares to which the Offer relates will be satisfied wholly in cash.

The maximum amount of cash that HQ Mining would be required to pay under the Offer if acceptances are received in respect of Shares on issue as at the date of this Bidder's Statement (other than those Shares in which HQ Mining has a relevant interest) would be approximately \$5,417,402.

In addition, if holders of all Options on issue as at the date of this Bidder's Statement and which have vested exercise those Options and accept the Offer in respect of the Shares issued to them, an additional \$3,500 will be payable by HQ Mining under the Offer.

Accordingly, the maximum amount that HQ Mining could be required to pay under the Offer is approximately \$5,420,902 (**Offer Amount**), together with transaction costs.

6.2 Sources of cash consideration

The consideration for the acquisition of your Shares under the Offer will be satisfied wholly in cash.

Xiaoming Li has undertaken to provide HQ Mining with an amount that is equal to the Offer Amount and associated transaction costs. Such funds will be sourced from Xiaoming Li's existing cash resources (namely cash or cash equivalents) and contributed to HQ Mining by debt under the terms of a loan agreement between HQ Mining and Xiaoming Li (**Intra-Group Facility**), details of which are described below. Xiaoming Li has confirmed that funds of an amount equal to the Offer Amount and associated transaction costs are immediately available and not subject to security interests or rights of set off and are not required for other arrangements.

The terms of the Intra-Group Facility are as follows:

- Xiaoming Li will provide funding to HQ Mining in immediately available funds for any amount that is requested by HQ Mining to fully fund the Offer (**Loan**);
- Xiaoming Li will make the Loan available in a number of advances as requested by HQ Mining until such time as HQ Mining has no further obligation to pay for the Shares acquired by it under the Offer; and
- provided that HQ Mining has no further obligation to pay for the acquisition of Shares under the Offer, HQ Mining must repay to Xiaoming Li the principal outstanding on the date agreed by HQ Mining and the Xiaoming Li which is after the completion of the Offer.

As such, HQ Mining has access to sufficient cash resources available to fund the Offer Amount and other costs of the Offer.

7 Bidder's intentions in relation to Golden Cross

7.1 Introduction

The intentions of HQ Mining are set out in this section of the Bidder's Statement. Those intentions have been formed on the basis of facts and information concerning Golden Cross, and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by HQ Mining in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section are statements of current intention only and accordingly may vary as new information becomes available or circumstances change.

7.2 Intentions for Golden Cross as a wholly owned entity

This section 7.2 describes HQ Mining's intentions if HQ Mining and its associates acquire a relevant interest in 90% or more of the Shares, and so becomes entitled to proceed to compulsory acquisition of outstanding Shares in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, HQ Mining's current intentions are as follows:

(a) **Corporate matters**

HQ Mining intends to:

- proceed with compulsory acquisition of the outstanding Shares in accordance with the provisions of Part 6A.1 of the Corporations Act, including any Shares which are issued after the close of the Offer as a result of the exercise of Options (see section 5.7 of this Bidder's Statement);
- thereupon arrange for Golden Cross to be removed from the official list of the ASX; and
- replace one or more members of the Board (that are not already nominees of HQ Mining) with the nominees of HQ Mining. Replacement board members have not yet been identified by HQ Mining and their identity will depend on the circumstances at the relevant time.

(b) **General review**

HQ Mining has been involved with Golden Cross as a significant shareholder for several years and therefore has an in depth understanding of Golden Cross' core projects.

HQ Mining generally intends to continue Golden Cross' core business, namely mineral resource exploration and development. HQ Mining also intends to progress with the development of the Copper Hill project if the PFS result is satisfactory and the appropriate funding can be obtained.

After the end of the Offer Period, if HQ Mining is successful, it intends to conduct a general review of Golden Cross' project and operations to further:

- evaluate Golden Cross' performance, profitability and prospects;
- review existing commercial arrangements; and
- assess possible operational and strategic opportunities.

Accordingly, the specific intentions set out in this section 7 are subject to, amongst other things, the results of this general review.

(c) **Impact on Employees**

Subject to the general review described in 7.2(b), HQ Mining does not currently intend to make any material reductions to Golden Cross' permanent staffing levels in the event the Offer is successful.

7.3 Intentions for Golden Cross as a part owned controlled entity

HQ Mining reserves its right to declare the Offer free from the Minimum Acceptance Condition. However, at the date of this Bidder's Statement, HQ Mining has not decided whether it will free the Offer from the Minimum Acceptance Condition.

This section 7.3 describes HQ Mining's intentions if Golden Cross becomes a controlled entity of HQ Mining but HQ Mining is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, HQ Mining's current intentions are as set out in section 7.2, other than the intention to undertake compulsory acquisition of all Shares, and as follows:

(a) **Corporate matters**

After the end of the Offer Period, HQ Mining intends:

- (subject to the Corporations Act and the constitution of Golden Cross) to consider the composition of the Board having regard to the ongoing development of Golden Cross' projects; and
- (subject to continued compliance by Golden Cross with the Listing Rules) to maintain Golden Cross' listing on ASX (although Golden Cross shareholders should be aware that in this circumstance the liquidity of Shares on ASX may be materially adversely affected).

It is possible that, even if HQ Mining is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6D.2 of the Corporations Act; for example, as a result of acquisitions of Shares in reliance on the '3% creep' exception in item 9 of section 611 of the Corporations Act. If so, it intends to exercise those rights.

(b) **Funding**

It is HQ Mining's intention that Golden Cross continues to fund and develop the Copper Hill project.

The most immediate funding requirement to develop the Copper Hill project is the requirement to fund the PFS. If possible, HQ Mining intends for Golden Cross to undertake a fully underwritten pro-rata rights issue which will enable all Golden Cross shareholders to participate in raising sufficient funding to meet the PFS funding requirement. If a rights issue were to occur, HQ Mining's current intention would be to subscribe for its full entitlement. HQ Mining would also attempt to secure underwriting for the pro-rata issue from sophisticated investors in respect of the portion of the rights to which HQ Mining is not entitled.

In terms of the medium to long term funding requirements for the Copper Hill project, HQ Mining would seek to use a combination of equity and debt funding, as appropriate, to progress the project, subject to prevailing capital market conditions.

(c) **Limitations in giving effect to intentions**

The ability of HQ Mining to implement the intentions set out in this section 7.3, will be subject to the legal obligations of the Golden Cross directors to have regard to the interests of Golden Cross and all Golden Cross shareholders, and the requirements of the Corporations Act and the ASX Listing Rules relating to transactions between related parties. HQ Mining will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

7.4 Intentions for Golden Cross if not controlled by HQ Mining

This section 7.4 describes HQ Mining's intentions if Golden Cross does not become a controlled entity of HQ Mining.

In that circumstance:

- HQ Mining does not expect to be in a position to give effect to the intentions set out in sections 7.2 or 7.3 of this Bidder's Statement; and
- HQ Mining's current intention is that it would review whether it would continue to hold a stake in Golden Cross.

8 Tax considerations

8.1 Introduction

(a) General

The following is a general description of the Australian tax consequences for Golden Cross shareholders who accept the Offer. It does not constitute tax advice and should not be relied upon as such. The comments set out below are relevant only to those Golden Cross shareholders who hold their Shares on capital account.

The following description is based upon the Australian law and administrative practice in effect at the date of this Bidder's Statement, but it is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of every Golden Cross shareholder. Golden Cross shareholders should seek independent professional advice in relation to their own particular circumstances.

The description does not address the Australian tax consequences for Golden Cross shareholders who:

- hold their Shares for the purposes of speculation or a business of dealing in securities (e.g. as trading stock);
- acquired their Shares pursuant to an employee share, option or rights plan; or
- are subject to the taxation of financial arrangements rules in Division 230 of the Income Tax Assessment Act 1997 (Cth) in relation to gains and losses on their Shares.

Golden Cross shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of acceptance of the Offer.

8.2 Australian resident shareholders

(a) Shareholders who accept the Offer

Acceptance of the Offer will involve the disposal by Golden Cross shareholders of their Shares by way of transfer to HQ Mining. This change in the ownership of the Shares will constitute a CGT event A1 for Australian CGT purposes for Golden Cross shareholders.

The date of disposal for CGT purposes will be the date the contract to dispose of the Shares is formed. The date the contract to dispose of the Shares is formed will be the date that the Offer is accepted.

(b) **Compulsory acquisition**

If a Golden Cross shareholder does not dispose of their Shares under the Offer and their Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, those Shareholders will also be treated as having disposed of their Shares for CGT purposes.

The date of disposal for CGT purposes will be the date when HQ Mining becomes the owner of the Shares.

(c) **Calculation of capital gain or capital loss**

Golden Cross shareholders may make a capital gain or capital loss on the disposal of Shares, to the extent that the capital proceeds from the disposal of the Shares are more than the cost base of those Shares. Conversely, Golden Cross shareholders will make a capital loss to the extent that the capital proceeds are less than their reduced cost base of those Shares.

Cost base

The cost base of the Shares generally includes the cost of acquisition and certain non-deductible incidental costs of acquisition and disposal. The reduced cost base of the Shares is usually determined in a similar, but not identical, manner.

If the Shares were acquired at or before 11.45am on 21 September 1999, a Golden Cross shareholder who is an individual, a complying superannuation entity or the trustee of a trust may choose to adjust the cost base of their Shares to include indexation by reference to changes in the consumer price index from the calendar quarter in which their Shares were acquired until the quarter ended 30 September 1999. Golden Cross shareholders that are companies will include that indexation adjustment if their Shares were acquired at or before 11.45am on 21 September 1999. Indexation adjustments are taken into account only for the purposes of calculating capital gains; they are ignored when calculating capital losses.

Capital proceeds

The capital proceeds of the disposal of each Share should be the Offer Price of 7.0 cents per Share.

Other issues

Individuals, complying superannuation entities or trustees that have held Shares for at least 12 months but do not index the cost base of the Shares may be entitled to discount the amount of the capital gain (after application of capital losses) from the disposal of Shares by 50% in the case of individuals and trusts or by 33⅓% for complying superannuation entities. For trusts the ultimate availability of the discount for beneficiaries of the trust will depend on the particular circumstances of the beneficiaries.

Capital gains (prior to any CGT discount) and capital losses of a taxpayer in an income year are aggregated to determine whether there is a net capital gain. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to satisfaction of loss recoupment tests for certain taxpayers).

8.3 Non-resident shareholders

For a Golden Cross shareholder who:

- is not a resident of Australia for Australian tax purposes; and
 - does not hold their Shares in carrying on a business through a permanent establishment in Australia;
- the disposal of Shares will generally only result in Australian CGT implications if:
- (1) that Golden Cross shareholder together with its associates held 10 percent or more of the Shares at the time of the CGT event or for any continuous 12 month period within 2 years preceding the CGT event (referred to as a 'non-portfolio interest'); and
 - (2) more than 50% of Golden Cross' value is due to direct or indirect interests in Australian real property (which is defined in the income tax legislation to include mining and exploration leases and licences).

If you are a non-resident who holds a 'non-portfolio interest' in Golden Cross, you should obtain independent advice as to the tax implications of sale, and whether any protection will be available under a relevant double tax treaty.

A non-resident Golden Cross shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss in respect of their Shares on ceasing to be a resident will be subject to Australian CGT consequences on disposal of the shares as set out in section 8.2.

8.4 Goods and services tax

Golden Cross Shareholders should not be liable to GST in respect of a disposal of those Shares.

Golden Cross shareholders may be charged GST on costs (such as advisor fees) that relate to their participation in the Offer. Golden Cross shareholders may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent advice in relation to their individual circumstances.

9 Other material information

9.1 Offers for Golden Cross securities other than Shares

The Offer does not extend to the Options. However, the Offer extends to Shares that are issued on the exercise of Options during the period from the Register Date to the end of the Offer Period.

If not all of the Options lapse or are cancelled pursuant to agreements or other arrangements, and HQ Mining is entitled to compulsorily acquire any outstanding Shares, HQ Mining presently intends to seek to compulsorily acquire or cancel any outstanding Options pursuant to Part 6A.2 of the Corporations Act, although it reserves the right not to do so.

9.2 Date for determining holders of Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of subsection 633(1) is the Register Date.

9.3 Consents

Computershare Investor Services Pty Limited has given written consent to be named in this Bidder's Statement in the form and context in which it is so named and has not withdrawn that consent as at the date of this Bidder's Statement.

TC Corporate Pty Ltd has given written consent to be named in this Bidder's Statement in the form and context in which it is so named and has not withdrawn that consent as at the date of this Bidder's Statement.

Herbert Smith Freehills has given written consent to be named in this Bidder's Statement in the form and context in which it is so named and has not withdrawn that consent as at the date of this Bidder's Statement.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements (free of charge) during the bid period, please call the Offer Information Line on 1300 951 450 (from within Australia) or +61 2 8022 7902 (from outside Australia). Calls to this number may be recorded.

In addition, as permitted by ASIC Class Order 13/523, this Bidder's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

9.4 Social security and superannuation implications of Offer

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

9.5 Other material information

Except as disclosed elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by a Golden Cross shareholder whether or not to accept the Offer; and
- (b) known to HQ Mining,

which has not previously been disclosed to Golden Cross shareholders.

10 The terms and conditions of the Offer

10.1 Offer

- (a) HQ Mining offers to acquire all of Your Shares on and subject to the terms and conditions set out in section 10 of this Bidder's Statement.
- (b) The consideration under the Offer is 7.0 cents per Share.

- (c) By accepting this Offer, you undertake to transfer to HQ Mining not only the Shares to which the Offer relates, but also all Rights attached to those Shares (see section 10.5(c)(6) and section 10.6(c)).
- (d) This Offer is being made to each person registered as the holder of Shares in the register of Golden Cross shareholders at 7.00pm (Sydney time) on the Register Date. It also extends to:
 - (1) holders of securities that come to be Shares during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by, such securities and which are on issue as at the Register Date; and
 - (2) any person who becomes registered, or entitled to be registered, as the holder of Your Shares during the Offer Period.
- (e) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of the Shares to which this Offer relates:
 - (1) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Shares; and
 - (2) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other Shares you hold to which the Offer relates; and
 - (3) this Offer will be deemed to have been withdrawn immediately at that time.
- (f) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct Offer on the same terms and conditions as this Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Offer Information Line on 1300 951 450 (from within Australia) or +61 2 8022 7902 (from outside Australia) to request those additional copies.
- (g) If Your Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.
- (h) The Offer is dated 11 December 2015.

10.2 Offer Period

- (a) Unless withdrawn, the Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00pm (Sydney time) on the later of:
 - (1) 29 January 2016; or
 - (2) any date to which the Offer Period is extended.
- (b) HQ Mining reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last 7 days of the Offer Period, either of the following events occur:

- (1) the Offer is varied to improve the consideration offered; or
- (2) HQ Mining's voting power in Golden Cross increases to more than 50%,

then the Offer Period will be automatically extended so that it ends 14 days after the relevant event in accordance with section 624(2) of the Corporations Act.

10.3 How to accept this Offer

(a) General

- (1) Subject to section 10.1(e) and section 10.1(f), you may accept this Offer only for all of Your Shares.
- (2) You may accept this Offer at any time during the Offer Period.

(b) Shares held in your name on Golden Cross' issuer sponsored subregister

To accept this Offer for Shares held in your name on Golden Cross' issuer sponsored subregister (in which case your Securityholder Reference Number will commence with 'I'), you must:

- (1) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- (2) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received at one of the addresses shown on the Acceptance Form.

(c) Shares held in your name in a CHESS Holding

- (1) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your Controlling Participant (for Golden Cross shareholders who are not institutions, this is normally the stockbroker through whom you bought Your Shares or ordinarily acquire shares on the ASX) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (2) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of this Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (3) Alternatively, to accept this Offer for Shares held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you may sign and complete the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is **received** before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.
- (4) If Your Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

(d) **Shares of which you are entitled to be registered as holder**

To accept this Offer for Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

- (1) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- (2) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.

(e) **Acceptance Form and other documents**

- (1) The Acceptance Form forms part of the Offer.
- (2) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by HQ Mining at one of the addresses shown on the Acceptance Form before the end of the Offer Period.
- (3) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by facsimile, it will be deemed to be received in time if the facsimile transmission is received (evidenced by a confirmation of successful transmission) before the end of the Offer Period, but you will not be entitled to receive the consideration to which you are entitled, until your original Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received at one of the addresses shown on the Acceptance Form.
- (4) When using the Acceptance Form to accept this Offer in respect of Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instruction on the Acceptance Form) are received by HQ Mining in time for HQ Mining to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (5) The postage and transmission of the Acceptance Form and other documents is at your own risk.

10.4 Validity of acceptances

- (a) Subject to this section 10.4, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in section 10.3.
- (b) HQ Mining will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. HQ Mining is not required to communicate with you prior to making this determination. The determination of HQ Mining will be final and binding on all parties.
- (c) Notwithstanding section 10.3(b), section 10.3(c), section 10.3(d) and section 10.3(e), HQ Mining may, in its sole discretion, at any time and without further

communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by HQ Mining.

- (d) Where you have satisfied the requirements for acceptance in respect of only some of Your Shares, HQ Mining may, in its sole discretion, regard the Offer to be accepted in respect of those of Your Shares but not the remainder.
- (e) HQ Mining will provide the consideration to you in accordance with section 10.6, in respect of any part of an acceptance determined by HQ Mining to be valid.

10.5 The effect of acceptance

- (a) Once you have accepted this Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw Your Shares from the Offer or otherwise dispose of Your Shares, except as follows:
 - (1) if, by the relevant times specified in section 10.5(b), the conditions in section 10.7 have not all been fulfilled or freed, this Offer will automatically terminate and Your Shares will be returned to you; or
 - (2) if the Offer Period is extended for more than one month and the obligations of HQ Mining to pay the consideration are postponed for more than one month and, at the time, this Offer is subject to one or more of the conditions in section 10.7, you may be able to withdraw your acceptance and Your Shares in accordance with section 650E of the Corporations Act. A notice will be sent to you at the time explaining your rights in this regard.
- (b) The relevant times for the purposes of section 10.5(a)(1) are:
 - (1) in relation to the condition in section 10.7(c), the end of the third Business Day after the end of the Offer Period; and
 - (2) in relation to all other conditions in section 10.7, the end of the Offer Period.
- (c) By signing and returning the Acceptance Form, or otherwise accepting this Offer pursuant to section 10.3, you will be deemed to have:
 - (1) accepted this Offer (and any variation of it) in respect of, and, subject to all of the conditions to this Offer in section 10.7 being fulfilled or freed, agreed to transfer to HQ Mining, Your Shares (even if the number of Shares specified on the Acceptance Form differs from the number of Your Shares), subject to section 10.1(e) and section 10.1(f);
 - (2) represented and warranted to HQ Mining, as a fundamental condition going to the root of the contract resulting from your acceptance, that at the time of acceptance, and the time the transfer of Your Shares (including any Rights) to HQ Mining is registered, that all Your Shares are and will be free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or otherwise) and free from restrictions on transfer of any nature (whether legal or otherwise), that you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership in Your Shares (including any Rights) to HQ Mining, and that you have paid to

Golden Cross all amounts which at the time of acceptance have fallen due for payment to Golden Cross in respect of Your Shares;

- (3) irrevocably authorised HQ Mining (and any director, secretary or nominee of HQ Mining) to alter the Acceptance Form on your behalf by inserting correct details of Your Shares, filling in any blanks remaining on the form and rectifying any errors or omissions as may be considered necessary by HQ Mining to make it an effective acceptance of this Offer or to enable registration of Your Shares in the name of HQ Mining;
- (4) if you signed the Acceptance Form in respect of Shares which are held in a CHESS Holding, irrevocably authorised HQ Mining (or any director, secretary or agent of HQ Mining) to instruct your Controlling Participant to initiate acceptance of this Offer in respect of Your Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
- (5) if you signed the Acceptance Form in respect of Shares which are held in a CHESS Holding, irrevocably authorised HQ Mining (or any director, secretary or agent of HQ Mining) to give any other instructions in relation to Your Shares to your Controlling Participant, as determined by HQ Mining acting in its own interests as a beneficial owner and intended registered holder of those Shares;
- (6) irrevocably authorised and directed Golden Cross to pay to HQ Mining, or to account to HQ Mining for, all Rights in respect of Your Shares, subject, if this Offer is withdrawn, to HQ Mining accounting to you for any such Rights received by HQ Mining;
- (7) irrevocably authorised HQ Mining to notify Golden Cross on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Shares is the address specified by HQ Mining in the notification;
- (8) with effect from the date on which all the conditions to this Offer in section 10.7 have been fulfilled or freed, to have irrevocably appointed HQ Mining (and any director, secretary or nominee of HQ Mining) severally from time to time as your true and lawful attorney to exercise all your powers and rights in relation to Your Shares, including (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings of Golden Cross and to request Golden Cross to register, in the name of HQ Mining or its nominee, Your Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
- (9) with effect from the date on which all the conditions to this Offer in section 10.7 have been fulfilled or freed, to have agreed not to attend or vote in person, by proxy or by body corporate representative at any general meeting of Golden Cross or to exercise or purport to exercise any of the powers and rights conferred on HQ Mining (and its directors, secretaries and nominees) in section 10.5(c)(8);
- (10) agreed that in exercising the powers and rights conferred by the powers of attorney granted under section 10.5(c)(8), the attorney will be entitled to act in the interests of HQ Mining as the beneficial owner and intended registered holder of Your Shares;
- (11) agreed to do all such acts, matters and things that HQ Mining may require to give effect to the matters the subject of this section 10.5(c)

(including the execution of a written form of proxy to the same effect as this section 10.5(c) which complies in all respects with the requirements of the constitution of Golden Cross) if requested by HQ Mining;

- (12) agreed to indemnify HQ Mining in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of your Acceptance Shares to HQ Mining being registered by Golden Cross without production of your Holder Identification Number or your Securityholder Reference Number for Your Shares;
 - (13) represented and warranted to HQ Mining that, unless you have notified it in accordance with section 10.1(f), Your Shares do not consist of separate parcels of Shares;
 - (14) irrevocably authorised HQ Mining (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer Your Shares to HQ Mining's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under this Offer; and
 - (15) agreed, subject to the conditions of this Offer in section 10.7 being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that HQ Mining may consider necessary or desirable to convey Your Shares registered in your name and Rights to HQ Mining.
- (d) The undertakings and authorities referred to in section 10.5(c) will remain in force after you receive the consideration for Your Shares and after HQ Mining becomes registered as the holder of Your Shares.

10.6 Payment of consideration

- (a) Subject to this section 10.6 and the Corporations Act, HQ Mining will provide the consideration due to you for Your Shares on or before the earlier of:
- (1) one month after the date of your acceptance or, if this Offer is subject to a condition when you accept this Offer, within one month after this Offer becomes unconditional; and
 - (2) 21 days after the end of the Offer Period.
- (b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
- (1) if that document is given with your Acceptance Form, HQ Mining will provide the consideration in accordance with section 10.6(a);
 - (2) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a condition, HQ Mining will provide the consideration due to you on or before the earlier of one month after this Offer becomes unconditional and 21 days after the end of the Offer Period;
 - (3) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a condition, HQ Mining will provide the consideration due to you on or before the earlier of one month after that document is given and 21 days after the end of this Offer period;

- (4) if that document is given after the end of the Offer Period, and the Offer is not subject to a condition, HQ Mining will provide the consideration within 21 days after that document is delivered. However, if at the time the document is given, the Offer is still subject to a condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, HQ Mining will provide the consideration due to you within 21 days after the Offer becomes unconditional.
- (c) If you accept this Offer, HQ Mining is entitled to all Rights in respect of Your Shares. HQ Mining may require you to provide all documents necessary to vest title to those Rights in HQ Mining, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to HQ Mining, or if you have (or any previous owner of Your Shares has) received the benefit of those Rights:
 - (1) HQ Mining will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by HQ Mining) of those Rights; and
 - (2) if it is able reasonably to assess the value to it of the franking credits, if any, attached to the Rights, HQ Mining will be entitled to also deduct an amount equal to that value from the consideration otherwise due to you.
- (d) The consideration payable by HQ Mining to you under the Offer will be paid to you by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) at the address as shown either, at the discretion of HQ Mining, on your Acceptance Form or the register copy supplied by Golden Cross from time to time.
- (e) If at the time you accept the Offer, any authority, clearance or approval is required for you to receive any consideration for Your Shares, including (but not limited to) any authority, clearance or approval of:
 - (1) the Reserve Bank of Australia (whether under the *Banking (Foreign) Exchange Regulations 1959* (Cth) or otherwise);
 - (2) the Minister for Foreign Affairs (whether under the *Charter of the United Nations Act 1945* (Cth), the *Charter of the United Nations (Dealing with Assets) Regulations 2008* (Cth) or any other regulations made thereunder, or otherwise);
 - (3) the ATO; or;
 - (4) any other person as required by any other law of Australia that would make it unlawful for HQ Mining to provide any consideration for Your Shares,

then you will not be entitled to receive any consideration for Your Shares until all requisite authorities, clearances or approvals have been received by HQ Mining.

10.7 Conditions of this Offer

Subject to section 10.8, the completion of this Offer and any contract that results from an acceptance of this Offer, are subject to the fulfilment of the conditions set out below:

(a) **No regulatory action**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (1) there is not in effect any preliminary or final decision, order or decree issued by any Public Authority;
- (2) no action or investigation is announced, commenced or threatened by any Public Authority; and
- (3) no application is made to any Public Authority (other than by HQ Mining or any associate of HQ Mining),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of any transaction contemplated by this Bidder's Statement (including, without limitation, full, lawful, timely and effectual implementation of the intentions set out in section 7 of this Bidder's Statement) or which requires the divestiture by HQ Mining of any Shares or any material assets of Golden Cross or any subsidiary of Golden Cross.

(b) **Minimum acceptance**

At the end of the Offer Period, HQ Mining has relevant interests in at least 50.1% of the Shares (on a fully diluted basis).

(c) **No prescribed occurrences**

Between the Announcement Date and the date 3 Business Days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (1) Golden Cross converting all or any of the Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (2) Golden Cross or a subsidiary of Golden Cross resolving to reduce its share capital in any way;
- (3) Golden Cross or a subsidiary of Golden Cross entering into a buyback agreement or resolving to approve the terms of a buyback agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
- (4) Golden Cross or a subsidiary of Golden Cross making an issue of Shares (other than Shares issued as a result of the exercise of Options into Shares) or granting an option over the Shares or agreeing to make such an issue or grant such an option;
- (5) Golden Cross or a subsidiary of Golden Cross issuing, or agreeing to issue, convertible notes;
- (6) Golden Cross or a subsidiary of Golden Cross disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (7) Golden Cross or a subsidiary of Golden Cross granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (8) Golden Cross or a subsidiary of Golden Cross resolving that it be wound up;

- (9) the appointment of a liquidator or provisional liquidator of Golden Cross or of a subsidiary of Golden Cross;
 - (10) the making of an order by a court for the winding up of Golden Cross or of a subsidiary of Golden Cross;
 - (11) an administrator of Golden Cross or of a subsidiary of Golden Cross being appointed under section 436A, 436B or 436C of the Corporations Act;
 - (12) Golden Cross or a subsidiary of Golden Cross executing a deed of company arrangement;
 - (13) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Golden Cross or of a subsidiary of Golden Cross.
- (d) **No issue of new securities**
- Between the Announcement Date and the end of the Offer Period (each inclusive), Golden Cross shareholders do not approve the issue of any new Securities (other than the proposed issue of 543,734 Shares to Ken Hellsten to be considered by shareholders at the 2015 annual general meeting as set out in the Notice).

10.8 Nature and benefit of conditions

- (a) The conditions in section 10.7 are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period (or in the case of the conditions in section 10.7(c), until the end of the third Business Day after the end of the Offer Period), prevent a contract to sell Your Shares from arising, but non-fulfilment of any of those conditions will have the consequences set out in section 10.9(b).
- (b) Subject to the Corporations Act, HQ Mining alone is entitled to the benefit of the conditions in section 10.7, or to rely on any non-fulfilment of any of them.
- (c) Each condition in section 10.7 is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

10.9 Freeing the Offer of conditions

- (a) HQ Mining may free this Offer, and any contract resulting from its acceptance, from all or any of the conditions subsequent in section 10.7, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Golden Cross and to ASX declaring this Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:
 - (1) in the case of the condition in section 10.7(c), not later than 3 Business Days after the end of the Offer Period; and
 - (2) in the case of all the other conditions in section 10.7, not less than 7 days before the end of the Offer Period.
- (b) If, at the end of the Offer Period (or in the case of the conditions in section 10.7(c), at the end of the third Business Day after the end of the Offer Period), the conditions in section 10.7 have not been fulfilled and HQ Mining has not

declared the Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

10.10 Notice on status of conditions

The date for giving the notice on the status of the conditions required by section 630(1) of the Corporations Act is 21 January 2016 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

10.11 Withdrawal of this Offer

- (a) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, HQ Mining will give notice of the withdrawal to ASX and to Golden Cross and will comply with any other conditions imposed by ASIC.
- (b) If, at the time this Offer is withdrawn, all the conditions in section 10.7 have been freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) If, at the time this Offer is withdrawn, the Offer remains subject to one or more of the conditions in section 10.7, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).
- (d) A withdrawal pursuant to section 10.11 will be deemed to take effect:
 - (1) if the withdrawal is not subject to conditions imposed by ASIC, after the date that consent in writing is given by ASIC; or
 - (2) if the withdrawal is subject to conditions imposed by ASIC, after the date those conditions are satisfied.

10.12 Variation of this Offer

HQ Mining may vary this Offer in accordance with the Corporations Act.

10.13 No stamp duty

HQ Mining will pay any stamp duty on the transfer of Your Shares to it.

10.14 Governing laws

This Offer and any contract that results from your acceptance of it are to be governed by the laws in force in New South Wales, Australia.

11 Definitions and interpretation

11.1 Definitions

In this Bidder's Statement and in the Acceptance Form unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
\$ or A\$	Australian dollars, the lawful currency of the Commonwealth of Australia.
Acceptance Form	the acceptance form enclosed with this Bidder's Statement.
Announcement Date	the date of the announcement of the Offer by HQ Mining, being 18 November 2015.
ASIC	the Australian Securities and Investments Commission.
ASX Settlement	ASX Settlement Pty Limited ABN 49 008 504 532.
ASX Settlement Operating Rules	the operating rules of ASX Settlement which govern the administration of the Clearing House Electronic Sub register System.
ASX	as the context requires, ASX Limited ABN 98 008 624 691 or the securities market conducted by it.
ATO	Australian Taxation Office.
Bidder's Statement	this document, being the statement of HQ Mining under Part 6.5 Division 2 of the Corporations Act relating to the Offer.
Business Day	a day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday.
Board	the board of directors of Golden Cross.
CGT	capital gains tax.
CHESS Holding	a number of Shares which are registered on Golden Cross share register being a register administered by the ASX Settlement Pty Limited and which records uncertificated holdings of Shares.
Controlling Participant	in relation to Your Shares, has the same meaning as in the ASX Settlement Operating Rules.

Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Employee Option Plan	the employee option plan of Golden Cross approved at the 2014 Annual General Meeting of Golden Cross.
Golden Cross	Golden Cross Resources Ltd (ABN 65 063 075 178).
Golden Cross Group	Golden Cross and each of its associates and related bodies corporate.
Holder Identification Number	has the same meaning as in the ASX Settlement Operating Rules.
HQ Mining	HQ Mining Resources Holding Pty Ltd (ABN 38 133 870 256).
Issuer Sponsored Holdings	a holding of Shares on Golden Cross issuer sponsored subregister.
Listing Rules	the Official Listing Rules of ASX, as amended and waived by ASX from time to time.
Minimum Acceptance Condition	the condition to the Offer which is described in section 10.7(b) of this Bidder's Statement.
Notice	the Golden Cross Notice of 2015 Annual General Meeting released on ASX on 17 November 2015.
Offer	the offer for Shares under the terms and conditions contained in section 10 of this Bidder's Statement
Offer Period	the period during which the Offer will remain open for acceptance in accordance with section 10.2 of this Bidder's Statement.
Offer Price	7.0 cents cash per Share.
Options	an option, issued by Golden Cross, to subscribe for a Golden Cross Share.
Participant	an entity admitted to participate in the Clearing House Electronic

Sub-register System under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules.

PFS	the Pre-feasibility Study for Golden Cross' Copper Hill copper-gold project in New South Wales.
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Public Authority	any government or any governmental, semi-governmental, statutory or judicial entity, agency or authority, whether in Australia or elsewhere, including (without limitation) any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange.
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Register Date	the date set by HQ Mining under section 633(2) of the Corporations Act, being 24 November 2015.
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Rights	all accreditations, rights or benefits of whatever kind attaching or arising from Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive them or rights to receive or subscribe for shares, notes, bonds, options or other securities declared, paid or issued by Golden Cross or any of its subsidiaries).
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Security	means any: • share; • debenture; • legal or equitable rights or interests in shares or debentures; or • option to acquire (whether by way of issue or transfer) a share or debenture.
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Securityholder Reference Number	has the same meaning as in the ASX Settlement Operating Rules.
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Security Interest	has the same meaning as in section 51A of the Corporations Act.
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Shareholder	the registered holder of a Share.
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Shares	fully paid ordinary shares in the capital of Golden Cross.
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Takeover Bid	the off-market takeover bid constituted by the dispatch of the Offers in accordance with the Corporations Act.
---------------------	--

Takeover Transferee Holding

has the same meaning as in the ASX Settlement Operating Rules

Your Shares

subject to section 10.1(e) and section 10.1(f), the Shares (a) in respect of which you are registered, or entitled to be registered, as holder in the register of shareholders of Golden Cross at the open of business Sydney time) on the Register Date, or (b) to which you are able to give good title at the time you accept this Offer during the Offer Period.

11.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context otherwise appears:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section, attachment and schedule is a reference to a section of and an attachment and schedule to this Bidder's Statement as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement;
- (h) a reference to time is a reference to time in Sydney, Australia;
- (i) a reference to writing includes facsimile transmissions; and
- (j) a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

12 Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution passed by the directors of HQ Mining.

date 24/11/15

Signed for and on behalf of
HQ Mining
by

sign here ►



Director

print name **Xiaoming Li**

Corporate directory

HQ Mining Resources Holding Pty Ltd

Level 2, 220 George Street
Sydney, NSW 2000

Share Registry for the Offer

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067

Legal Adviser

Herbert Smith Freehills
Level 42, 101 Collins Street
Melbourne, VIC 3000

Financial Adviser

TC Corporate Pty Ltd
Level 10, 167 Macquarie Street
Sydney NSW 2000

Offer Information Line

1300 951 450 (from within Australia)
+61 2 8022 7902 (from outside Australia)

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HQ Mining Resources Holding Pty Ltd

ABN 38 133 870 256

First Supplementary Bidder's Statement

1 Introduction

This document is a supplementary bidder's statement under section 643 of the *Corporations Act 2001* (Cth). It is the first supplementary bidder's statement (**First Supplementary Bidder's Statement**) issued by HQ Mining Resources Holding Pty Ltd ABN 38 133 870 256 (**HQ Mining**) in relation to its off-market takeover bid for all the ordinary shares in Golden Cross Resources Ltd ABN 65 063 075 178 (**Golden Cross**) which it does not already own. This First Supplementary Bidder's Statement supplements, and should be read together with, HQ Mining's bidder's statement dated 24 November 2015 (**Original Bidder's Statement**).

This Supplementary Bidder's Statement has been prepared to provide additional information to Shareholders.

Unless otherwise defined, capitalised terms in this First Supplementary Bidder's Statement have the same meaning given to them in the Original Bidder's Statement.

2 Annual general meeting

HQ Mining's Offer is conditional on Shareholders not approving any of the resolutions at the Golden Cross Annual General Meeting that relate to the issue of new Securities¹.

In particular, HQ Mining recommends that shareholders vote against resolutions 4, 5 and 6 which provide for the issue of Shares to Simulus Group Pty Ltd, unidentified service providers and unidentified unrelated third parties, including the issue of free options to the unrelated third parties. These issues of Shares and options are highly dilutive to existing Shareholders and HQ Mining believes that they are not in the best interests of all Shareholders.

These issues of Shares and options are more dilutive now than originally detailed in the Notice of Annual General Meeting following Golden Cross withdrawing the previous resolution 8 which had sought Shareholder approval for the issue of bonus options to Shareholders.

HQ Mining may free its Offer from any of the conditions outlined in section 10.7 of the Bidder's Statement, including the condition that shareholders do not approve the issue of Securities at the Annual General Meeting. HQ Mining has not made any decision as to whether or not to waive this condition.

3 Intentions of HQ Mining - proposal to undertake a rights issue

Section 7.3(b) of the Original Bidder's Statement states that if Golden Cross becomes a controlled entity of HQ Mining but HQ Mining is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act, HQ Mining intends, among other things, for Golden Cross to undertake a fully underwritten pro-rata rights issue to fund the pre-feasibility study for Golden Cross' Copper Hill Project (**Rights Issue**).

¹ Other than the issue of 543,734 Shares to Ken Hellsten under the terms of his employment contract.

The final detail of the Rights Issue will be determined by the Board at the time that the Rights Issue is made and having regard to market conditions at that time.

HQ Mining advises the following in relation to its current intentions in respect of the Rights Issue:

- The Rights Issue will be priced at a discount to the market price to encourage Shareholders to participate, although that discount will seek to balance the potential dilution to Shareholders who do not participate in the Rights Issue. HQ Mining has not specified a Rights Issue offer price at this time as that would be speculative because the Rights Issue offer price will be a reflection of the market and investors sentiment towards Golden Cross at the time of the Rights Issue.
- The size of the Rights Issue will be approximately \$3 million taking into account Golden Cross' estimated cost for the PFS of \$2.9 million and the need to ensure that Golden Cross has available to it some additional working capital.
- In the absence of securing underwriting from third parties, HQ Mining may be prepared to underwrite all or some of the Rights Issue. HQ Mining would expect to be the largest Shareholder in Golden Cross at the time that the Rights Issue is made and its commitment to take up its entitlement will reduce the size of any potential shortfall which may make the Rights Issue easier to have underwritten.

HQ Mining acknowledges that the Rights Issue will be dilutive to Golden Cross Shareholders who choose not to participate, however, unlike the PFS funding package to be considered at the Golden Cross 2015 annual general meeting, the Rights Issue will give all shareholders an opportunity to participate.

4 Timetable and process

The takeover offer by HQ Mining is scheduled to close at 7.00pm (Sydney time) on Friday, 29 January 2016 (unless extended). In order to accept the Offer, please return your enclosed Acceptance Form by mail to Computershare at the address indicated on your Acceptance Form (the reference to acceptance by facsimile in section 10.3(e) of the Bidder's Statement should be disregarded).

Golden Cross Shareholders who have any questions in relation to the takeover bid or who would like another acceptance form should call the Offer Information Line on 1300 951 450 (for callers within Australia) or +61 2 8022 7902 (for callers outside Australia).

5 Other notices

A copy of this First Supplementary Bidder's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

Signed for and on behalf of HQ Mining following a resolution of the directors of HQ Mining.

sign here ►



Xiaoming Li
Director

date

9 December 2015

HQ Mining Resources Holding Pty Ltd

ABN 38 133 870 256

Return your Form:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 2115 Melbourne
Victoria 3001 Australia

For all enquiries:



Phone:

(within Australia) 1300 951 450
(outside Australia) +61 2 8022 7902

000001 000 GCR_TK
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Acceptance Form

ISSUER



Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by HQ Mining Resources Holding Pty Ltd ("HQ Mining") to acquire all of your Shares in Golden Cross Resources Ltd ("Golden Cross") ACN (65 063 075 178) the terms of which are set out in the Bidder's Statement from HQ Mining dated 24 November 2015 as replaced or supplemented (the "Bidders Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Golden Cross register, as provided to HQ Mining. The current address recorded by HQ Mining is printed above and overleaf. If you have recently bought or sold Shares your holding may differ from that shown. If you have already sold all your Shares in Golden Cross, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Shares.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as:

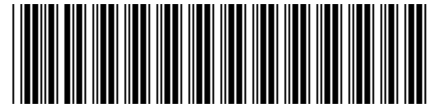
- a sole director and sole company secretary **OR** a sole director (if no company secretary exists), **OR**
- two directors, **OR**
- a director and secretary.

Overseas Companies: Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form ➔



I 1111111111

I ND

Acceptance Form

STEP 1

Registration Name & Offer Details



For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Offer Details: Securityholding as at 24 November 2015:

2000

By accepting the Offer for ALL of your Shares, you are accepting the Offer for ALL the Golden Cross Shares as recorded by HQ Mining as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2

Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Shares in Golden Cross. The consideration applicable is set out in the terms of HQ Mining's Offer.

STEP 3

Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by HQ Mining for Shares in Golden Cross and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Shares as per the above instruction.

Individual or Securityholder 1

**Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)**

Securityholder 2

Director

Securityholder 3

**Director/Company Secretary
(cross out titles as applicable)**

**Contact
Name**

**Contact
Daytime
Telephone**

Date / /

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by HQ Mining Resources Holding Pty Ltd. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to HQ Mining Resources Holding Pty Ltd or to third parties upon direction by HQ Mining Resources Holding Pty Ltd where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

GCR_TK

207732A

Computershare +

HQ Mining Resources Holding Pty Ltd

ABN 38 133 870 256

Return your Form:



To Your Controlling Participant:

Return this form directly to your stockbroker



By Mail:

Computershare Investor Services Pty Limited
GPO Box 2115 Melbourne
Victoria 3001 Australia

For all enquiries:

Phone:



(within Australia) 1300 951 450

(outside Australia) +61 2 8022 7902

000001

GCR_TKO

MR SAM SAMPLE

UNIT 123

SAMPLE STREET

SAMPLETOWN NSW 2001

Acceptance Form

CHESS

Your form must be received with sufficient time to allow processing prior to the end of the Offer Period

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by HQ Mining Resources Holding Pty Ltd ("HQ Mining") to acquire all of your Shares in Golden Cross Resources Ltd ("Golden Cross") ACN (65 063 075 178) the terms of which are set out in the Bidder's Statement from HQ Mining dated 24 November 2015 as replaced or supplemented (the "Bidders Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Golden Cross register, as provided to HQ Mining.

The current address recorded by HQ Mining is printed above and overleaf. If you have recently bought or sold Shares your holding may differ from that shown. If you have already sold all your Shares in Golden Cross, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Shares.

As your Golden Cross Shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want HQ Mining to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise HQ Mining and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to HQ Mining (and authorise HQ Mining to warrant on your behalf) that you have full legal and beneficial ownership of the Shares to which this form relates and that HQ Mining will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights. You should allow sufficient time for your Controlling Participant or HQ Mining to initiate the acceptance of HQ Mining's Offer on your behalf. Neither HQ Mining or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as:

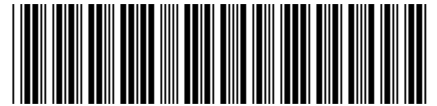
- a sole director and sole company secretary **OR** a sole director (if no company secretary exists), **OR**
- two directors, **OR**
- a director and secretary.

Overseas Companies: Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →



X 1234567890

COY

Acceptance Form

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Controlling Participant Identifier: 1202

Offer Details: Securityholding as at 24 November 2015:

2000

By accepting the Offer for ALL of your Shares, you are accepting the Offer for ALL the Golden Cross Shares as recorded by HQ Mining as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2

Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your Shares in Golden Cross. The consideration applicable is set out in the terms of HQ Mining's Offer.

STEP 3

Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by HQ Mining for Shares in Golden Cross and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our Shares as per the above instruction.

Individual or Securityholder 1

**Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)**

Securityholder 2**Director****Securityholder 3**

**Director/Company Secretary
(cross out titles as applicable)**

**Contact
Name** _____

**Contact
Daytime
Telephone** _____

Date ____ / ____ / ____

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by HQ Mining Resources Holding Pty Ltd. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to HQ Mining Resources Holding Pty Ltd or to third parties upon direction by HQ Mining Resources Holding Pty Ltd where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

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