



HQ Mining Resources Holding Pty Ltd

HQ MINING ANNOUNCES A 7 CENT PER SHARE ALL CASH OFFER FOR ALL THE SHARES IN GOLDEN CROSS THAT IT DOES NOT OWN

- HQ Mining Resources Holding Pty Ltd (“**HQ Mining**”) intends to make an off-market all cash offer of 7.0 cents per share valuing Golden Cross Resources Ltd (“**Golden Cross**”) at \$7.1 million. HQ Mining currently has a relevant interest in 23.4% of Golden Cross shares.
- HQ Mining’s offer:
 - is conditional¹ only on it becoming 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 securities² (including at the upcoming annual general meeting);
 - provides shareholders with an opportunity to sell their shares for cash at a time when Golden Cross faces substantial funding commitments to develop the Copper Hill mine at Molong in NSW, including the proposed pre-feasibility study (“**PFS**”);
 - provides accepting shareholders with certainty of value and a clean exit from Golden Cross; and
 - is an attractive alternative to the highly dilutive and conditional funding package proposed by Golden Cross (to be voted on at the upcoming annual general meeting).

Advantages of the HQ Mining offer

HQ Mining’s offer represents an attractive proposal for Golden Cross shareholders.

An attractive offer premium

The offer price represents a premium of:

- 20.7% to the closing price of 5.8 cents per share on the day before Golden Cross announced HQ Mining’s intention to make a takeover bid;
- 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.

All cash consideration will offer certain value and a clean exit from Golden Cross

The offer provides shareholders with an opportunity to receive cash for all of their shares without paying brokerage or incidental costs. Acceptance of the offer will enable accepting shareholders to avoid subscribing for more capital or being diluted.

Accepting shareholders will avoid the short-term risks associated with Golden Cross having to finalise funding for the PFS of the Copper Hill mine, the mid-term risks associated with Golden Cross having to secure approximately \$130.5 million to \$163.5 million³ for the construction of a 2Mtpa to 3Mtpa concentrator process plant at Copper Hill and the long-term operating and project development risks associated with being a shareholder in Golden Cross.

¹ See the attachment to this announcement for the details of the conditions.

² Other than the proposed issue of 543,734 shares to Mr Ken Hellsten to be considered by shareholders at the 2015 annual general meeting as set out in the notice of meeting issued by Golden Cross on 17 November 2015.

³ See Golden Cross announcement of 15 April 2015.



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Response to Notice of Meeting

HQ Mining refers to the notice of meeting released by Golden Cross on 17 November 2015 in relation to the upcoming annual general meeting (“**Notice**”) and the related ASX announcement in relation to the conditional funding of the PFS (“**Announcement**”). HQ Mining makes the following comments in relation to the Notice and the Announcement:

- Golden Cross is proposing that shareholders approve a “funding package” for the PFS. However, a substantial portion of the proposed funding package for the PFS has yet to be secured; and
- the proposed funding package is highly dilutive and not in the best interests of Golden Cross shareholders. Under the funding scenario put forward by Golden Cross on page 28 of the Notice, the equity interest of existing shareholders⁴ is reduced by 29%. Under the same scenario, the equity interest of Ian Buchhorn (a Non-Executive Director) is increased by 42%.

HQ Mining’s 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).

HQ Mining has not, and will not, agree to the proposed issues of shares to it referred to in the Notice⁵ and will vote against all of the resolutions seeking approval for the issue of shares in Golden Cross⁶.

Next Steps

The offer is subject to a limited number of conditions as attached to this announcement.

Further details about the offer will be contained in HQ Mining’s Bidder’s Statement which will be available to shareholders prior to the upcoming annual general meeting.

HQ Mining has appointed TC Corporate as financial adviser and Herbert Smith Freehills is acting as legal adviser.

For further information, please contact:

Christopher Still or Carl Henschke
TC Corporate
Phone: 02-9377-1555

⁴ Excluding HQ Mining and Heron Resources Limited.

⁵ Resolutions 7 and 9 in the Notice.

⁶ Other than the proposed issue of 543,734 ordinary shares to Mr Ken Hellsten to be considered by shareholders at the 2015 annual general meeting as set out in the Notice.



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Attachment – Bid Conditions

The Offer, and any contract resulting from the acceptance of the Offer is subject to fulfilment or waiver of the following conditions:

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).

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 Mr Ken Hellsten to be considered by shareholders at the 2015 annual general meeting of Golden Cross as set out in the notice of meeting issued on 17 November 2015).

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:

- (a) Golden Cross converting all or any of the Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) Golden Cross or a subsidiary of Golden Cross resolving to reduce its share capital in any way;
- (c) 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;
- (d) 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;
- (e) Golden Cross or a subsidiary of Golden Cross issuing, or agreeing to issue, convertible notes;
- (f) 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;
- (g) 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;
- (h) Golden Cross or a subsidiary of Golden Cross resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of Golden Cross or of a subsidiary of Golden Cross;
- (j) the making of an order by a court for the winding up of Golden Cross or of a subsidiary of Golden Cross;
- (k) an administrator of Golden Cross or of a subsidiary of Golden Cross being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Golden Cross or a subsidiary of Golden Cross executing a deed of company arrangement; or
- (m) 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.



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No regulatory action

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

- (a) there is not in effect any preliminary or final decision, order or decree issued by any Public Authority;
- (b) no action or investigation is announced, commenced or threatened by any Public Authority; and
- (c) 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 the 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.

Definitions

Term	Meaning
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	as the context requires, ASX Limited ABN 98 008 624 691 or the securities market conducted by it.
Bidder's Statement	the bidder's statement to be prepared by 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.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Golden Cross	Golden Cross Resources Ltd (ABN 65 063 075 178).
HQ Mining	HQ Mining Resources Holding Pty Ltd (ABN 38 133 870 256).
Offer	the offer for Shares under the terms and conditions contained in the Bidder's Statement



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Offer Period	the period during which the Offer will remain open for acceptance in accordance with the Bidder's Statement.
Options	an option, issued by Golden Cross, to subscribe for a Golden Cross Share.
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.
Security	means any: <ul style="list-style-type: none">• 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.
Security Interest	has the same meaning as in section 51A of the Corporations Act.
Shares	fully paid ordinary shares in the capital of Golden Cross.
