

GOLDEN CROSS RESOURCES N.L.
ACN 063 075 178

FIRST DRAFT QUARTERLY REPORT

To 30 June 1996

Typed 12 July for 24 July 1996 release

Golden Cross Resources has concentrated on its three first priority projects during this quarter - West Wyalong (NSW), Pipeline Ridge, near Cobar (NSW) and Heines Find (WA).

Lyndsay MacAlister joined the board of directors as chairman during the quarter. He brings with him a wealth of experience in geology, finance and management.

EXPLORATION HIGHLIGHTS

1. West Wyalong, NSW (GCR earning 90%)

Drilling in area of old mine workings - thirty aircore holes drilled to date (max depth 74m), with best intersections of:

WWAC018	1m at	6.74 g/t	from 3m
WWAC021	2m at	1.92 g/t	from 5m
	1m at	2.21 g/t	from 53m
WWAC023	1m at	3.47 g/t	from 56m
WWAC028	1m at	2.86 g/t	from 56m

Geophysics - geophysical signature evidences a possible underlying porphyry. Areas of high resistivity may be due to silicification. Areas of subdued magnetic signature may indicate area of alteration.

Geology - give highlights of Alan Marlow's report and rock chip results

2. Pipeline Ridge, NSW (GCR 100%)

Near-surface reverse circulation percussion drill programme partially completed (50 out of 86 holes for 2,366m).

Best intersections were

G35	4m at	3.4 g/t	from 28m
G59	3m at	3.9 g/t	from 49m
G69	8m at	9.0 g/t	from 27m
	incl 5m at	14.1g/t	from 26m

One deep diamond drill hole completed, to 220m, with best intersection of:

GD56

3. Heines Find, WA (GCR earning 70%)

Fourteen holes completed of initial reverse circulation drilling programme, designed to test outer limits of known gold mineralisation. Assay results received from five holes, with best intersections of:

HRC 303 4m at 1.2 g/t from 56m
 4m at 1.1 g/t from 76m
 4m at 1.6 g/t from 88m

NSW PROGRAMME:

WEST WYALONG, NSW (GCR earning 90% from Lac Minerals (Australia) N.L.*)
(* Subject to 2.5% net smelter return)

Drilling in Area of Old Mine Workings

Thirty shallow aircore holes were drilled in the area of old mine workings north of West Wyalong. Best intersections were:

Interpretation of Airborne Magnetic and Electromagnetic Surveys

- Overall structural interpretation of these data suggests that the major controlling factor for the location of lithologies and structures may be a large buried intrusion which has deformed the surrounding rocks into arcuate features on its margins. Other controlling structures are a north south trending set of structures which are thought to be part of the Gilmore Suture and northwest trending shears cross cutting the area.
- Large areas of high resistivity from the EM data may be due to areas of silicification.
- Areas of subdued magnetic signature may indicate areas of alteration which has resulted in magnetite destruction.
- A prominent circular feature in both the magnetic and EM data is thought to be due to an intrusion. The geophysical signature for this is considered to be significant in terms of a porphyry style mineralisation target.
- Linear zones of high resistivity in the area of the old West Wyalong workings are likely to indicate zones of veining. It is significant that the majority of these lie within a broad zone of subdued magnetic activity thought to be alteration.
- Northeast trending linear resistivity features in the southwest of the licence area are thought to be due to late intrusive dykes but are to be investigated for the possibility that these are also due to quartz vein systems.

Summary of Geology

PIPELINE RIDGE, NSW (GCR 100%)

- Fifty shallow angled Reverse Circulation holes were drilled during the period for a total meterage of 2,366 meters. Final assays are awaited on the latter 21 holes. Narrow zones of mineralisation were intersected in all holes confirming the geologic model, although average grades were lower than previously intersected around hole T10. High grade mineralisation intersected by T10, G2 and G11 is now understood to be a narrow, south plunging, structurally controlled shoot, of limited volume and displaying little grade continuity. The presence and orientation of this shoot is of importance in understanding the distribution of the primary mineralisation which is believed to be similar to other structurally controlled Cobar orebodies which have limited strike but extensive downdip continuity.
- Diamond drilling of the primary zone has commenced with drillhole GD56, currently at 138 metres. The hole has intersected weak sulphide banding from 95 metres, although the primary target is at a depth of 175 metres.

SARONA DOWNS, NSW (GCR 100%)

BROKEN HILL, NSW (GCR 100%)

Assay results from a regional stream sediment sampling programme were encouraging and included one result of 1.1(?) g/t gold.

OTHER PROJECTS:

Buddigower, NSW (GCR 100%) Results from ground magnetic survey highlighted a target zone in the vicinity of old workings to the east of the tenement..

Eaglehawk, NSW (GCR 100% owned/option) Further drilling is planned.

Trunkey Creek, NSW (GCR 100%) A number of drilling targets have been identified.

Warraderry, NSW (GCR 100%) Results from the regional soil sampling programme conducted over the eastern half of the tenement revealed a large gold anomaly considered to be a suitable drilling target.

WA PROGRAMME:

GLENGARRY BASIN, WA (GCR 51%, earning 70% from Lac Minerals (Australia) N.L. and Horseshoe Gold Mine Pty. Ltd.)

- An initial RC drilling programme of 14 holes for 1263m has been completed and results from the first 5 holes are available. Best results are :

HRC 303	4m @ 1.2g/t Au	56 - 60m
	4m @ 1.1g/t Au	76 - 80m
	4m @ 1.6g/t Au	88 - 92m
- The current programme of 14 holes is designed to validate results from previous drilling and to test the primary zone extensions of oxidised mineralised zones. Results to date suggest that downhole contamination in the earlier drilling campaigns may be exaggerated widths of mineralised intercepts. HRC 300 - 303 tested the primary zone extensions of oxidised mineralisation, but did not intercept mineralisation. Results from holes HRC 300 and 301 together with previous drilling have effectively defined the western limits to the Heines East mineralisation.
- Continuity of mineralisation between 20m sections is poor and alternative interpretations using the Helimag data are being investigated. The possibility that the oxidised mineralisation is the flat lying supergene development of vertical primary structures will also be tested.

Mikhaburra

- * An AMG grid has been laid out in preparation for soil sampling in July.

MAYNARD HILLS, WA (GCR earning 70% from Barranco Resources N.L.)

- * Regional mapping will commence in July.

DAVID TIMMS
MANAGING DIRECTOR

This report has been compiled by a person who is a member of the AusIMM and has had a minimum of five years experience in the field of activity in which he is reporting.

Directors

Lyndsay MacAlister *Chairman*
David Timms *Managing Director*
Alfred Mather *Director*
John Hill *Director*
Daven Timms *Executive Director &
Company Secretary*

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Issued Capital

At 30 June 1996 the issued capital was 34,818,136 shares of 25 cents par value, 9 million options exercisable by 31.10.98 and 4,459,058 options exercisable by 30.9.98.

Shareholder Enquiries

Matters relating to shares held and change of address should be directed to the share registry:

Registries Limited
Level 1, 220 George Street
Sydney NSW 2000
Ph: (02) 247 8252

General Enquiries

For further information please contact Daven Timms at the principal office ph. (02) 482 8833.