

GOLDEN CROSS RESOURCES NL
ACN 063 075 178
QUARTERLY REPORT TO 30 SEPTEMBER 1996

25 October 1996

HIGHLIGHTS

- Golden Cross Resources completed over 6,000m of drilling on two of its priority projects - West Wyalong, NSW and Pipeline Ridge, NSW during the quarter with further encouraging results.
- At *West Wyalong, NSW* drill testing of the Mallee Bull line of lode (see Figure 1, page 3), in the historic goldfield, delineated a 700m long zone of near-surface gold mineralisation with best intersection of 7m estimated true width at 4.5 g/t gold from 30m below surface. Induced polarisation surveys have revealed zones of high resistivity, suggesting alteration, which extend beyond the line of old gold workings.
- At *Pipeline Ridge, NSW* diamond drilling confirmed the presence of a broad mineralised envelope which contains a number of massive sulphide zones, one of which intersected 10m at 2.84 g/t gold, 0.45% copper, 1.54% lead, 0.71% zinc and 87.3 g/t silver (see Figure 8, page 10).
- In September 1996 the Company announced its 50/50 joint venture with Jason Mining NL in the *Cargo Project, NSW* which lies 18 km west of the huge Cadia deposit. This project has a drill indicated gold resource of 70,000 oz to a depth of 60m (see Figure 4, page 5). Previous drilling in another area to the north intersected 187m of 0.43% copper and 0.23 g/t gold in copper-gold porphyry style mineralisation (see Figure 4). \$500,000 is budgeted to be spent by the Joint Venture on drilling out the indicated resource during the next quarter.
- The Company's cash position is strong, with \$4.97M held as at 30 September 1996.
- Dr Alfred Mather, 70 years, retired from the Board of Directors on 30 September 1996. The Board wishes to thank him for the tremendous effort he put into his two and a half year directorship with the Company.

EXPLORATION RESULTS

1. West Wyalong, NSW (GCR earning 90%, subject to 2.5% net smelter return)

Activity on this project during the quarter included drilling in the vicinity of old workings on high grade gold reefs together with induced polarisation surveys to test for further high grade reefs and a copper-gold porphyry system. The directors believe that the geophysical anomalies, alteration system and geochemistry indicate the tenement is highly prospective not only for extensive gold reefs similar to those mined previously but also for copper-gold porphyry-style mineralisation

Drilling consisted of aircore drilling in the vicinity of the Mallee Bull Line of Lode in the old goldfield (see Figures 1 and 2, page 3). This line of lode was the best producer in the district, producing four tonnes of gold at an average grade of 55 g/t at the turn of the century. Golden Cross Resources has successfully located the lode and remnant mineralisation over a strike length of 700 metres. The best results from this programme are outlined below:

Drill Hole No.	East (m)	South (m)	From (m)	Estimated True Width (m)	Grade (g/t gold)	Gram-Metres of Gold
WWAC075	360	450	0	7	2.1	14.5
WWAC076	380	450	21	9.5	2.2	21.4
WWAC077	400	450	45	5.0	2.0	10.0
WWAC114	380	400	24	7	3.9	27.3
WWAC119	380	300	0	4.5	1.3	6.1
WWAC121	420	250	18	4	3.9	15.6
WWAC134	338	623	30	7	4.5	31.7

Material intercepted in these holes includes both vein mineralisation and mineralised stope-fill.

Drill testing down-plunge from old workings (see Figure 2) with the view to delineating high grade underground resources is scheduled to begin in the fourth quarter of 1996.

Induced polarisation surveys concentrated on the old gold workings in the vicinity of the Mallee Bull Line of Lode and the Pine Hill/Pine Ridge area. In the Pine Hill and Pine Ridge areas, where old gold workings are present, these anomalies have been ground tested by gradient array induced polarisation. The induced polarisation survey delineated significant chargeability and resistivity anomalies in areas of sparse outcrop between lines of old workings. Follow-up work is scheduled to test the potential for gold together with copper-gold porphyry-style mineralisation.

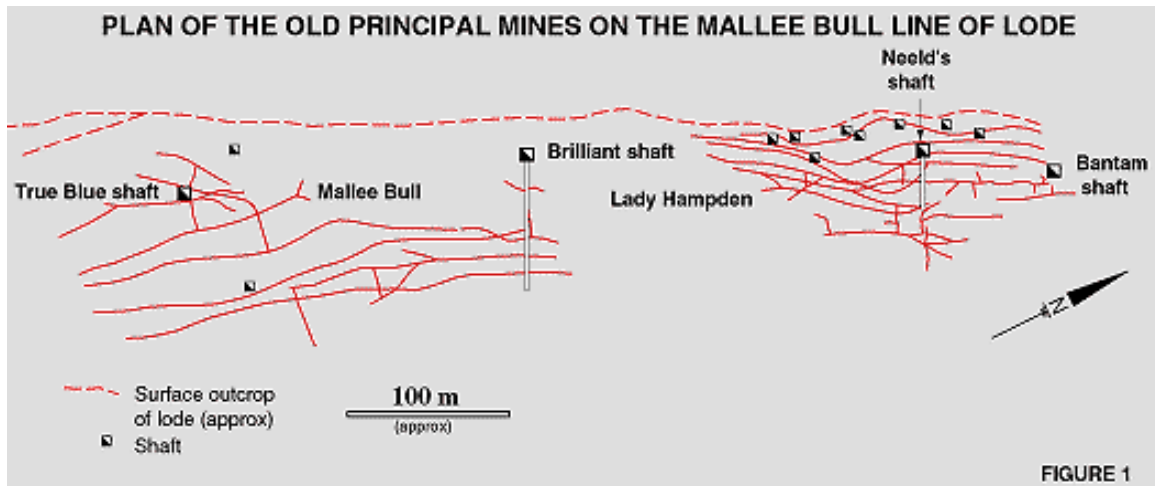


FIGURE 1

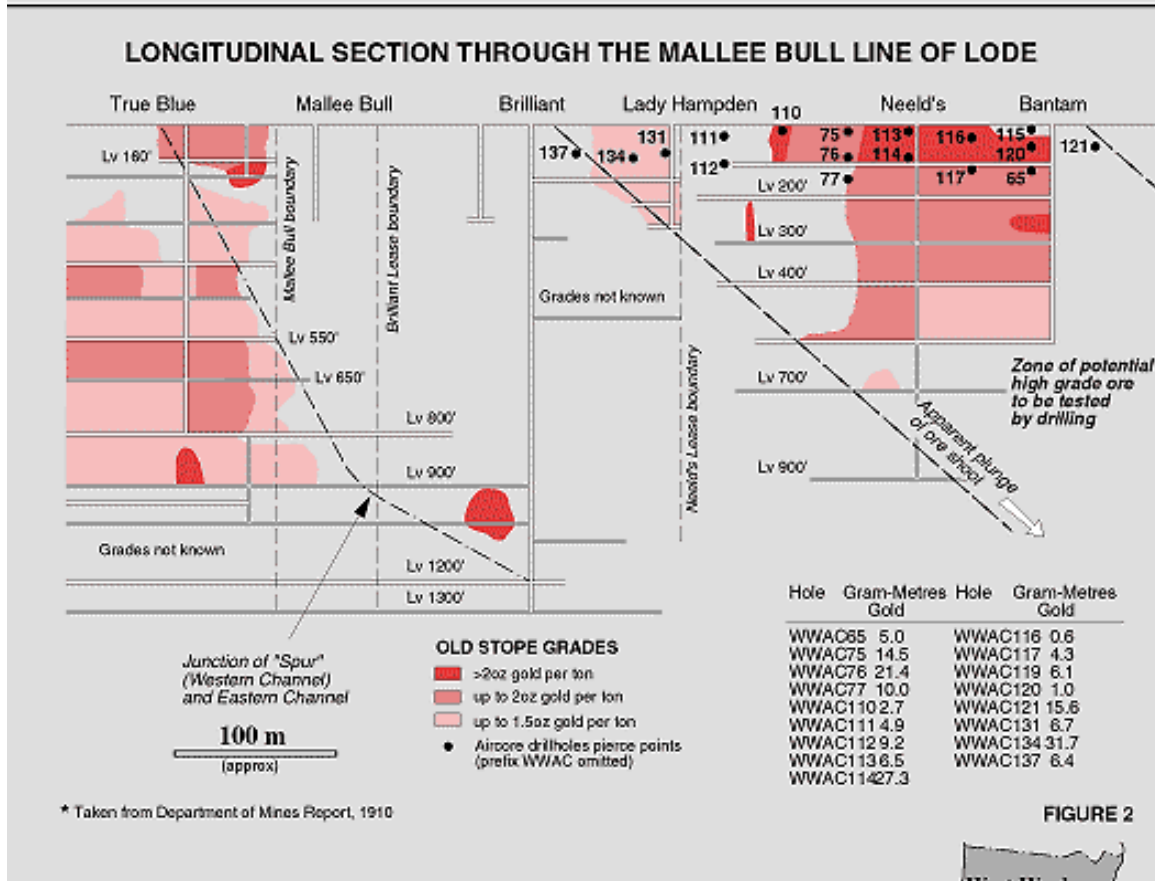
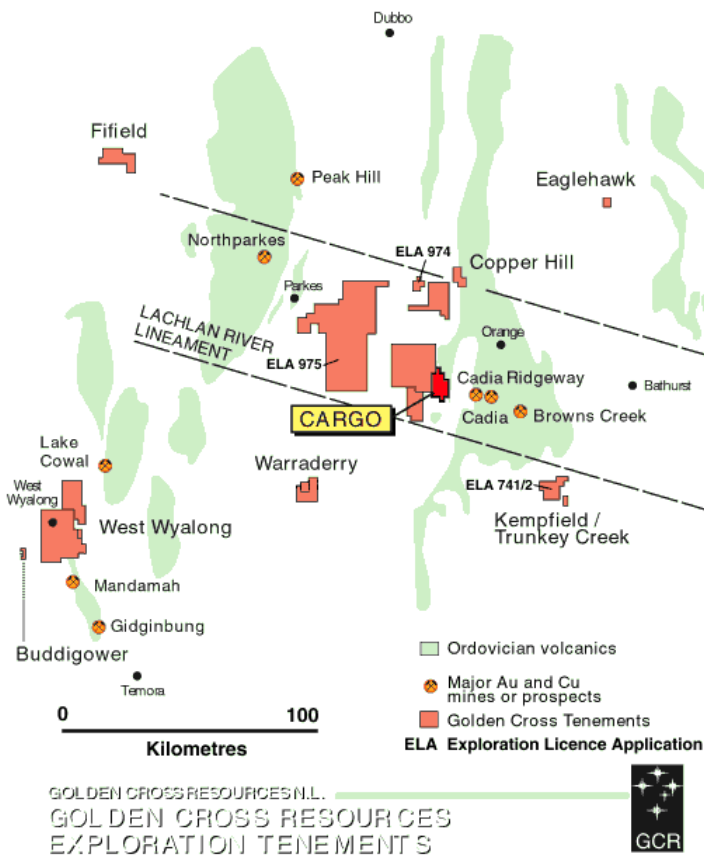


FIGURE 2



GOLDEN CROSS RESOURCES N.L.
WEST WYALONG PROJECT
MALLEE BULL - PLAN AND LONGITUDINAL SECTION *

2. Cargo Project, NSW (GCR Purchasing 50%)



In September 1996 Golden Cross Resources and Jason Mining NL announced a 50/50 Joint Venture over gold and porphyry copper-gold targets at Cargo, NSW. The Cargo project is 18 km west of the huge Cadia copper-gold deposit, which in turn is 18 km west of the Browns Creek copper-gold deposit, and is located within the Lachlan Fold Belt which contains several porphyry copper-gold style deposits and prospects including Cadia and Copper Hill (see Figure 3).

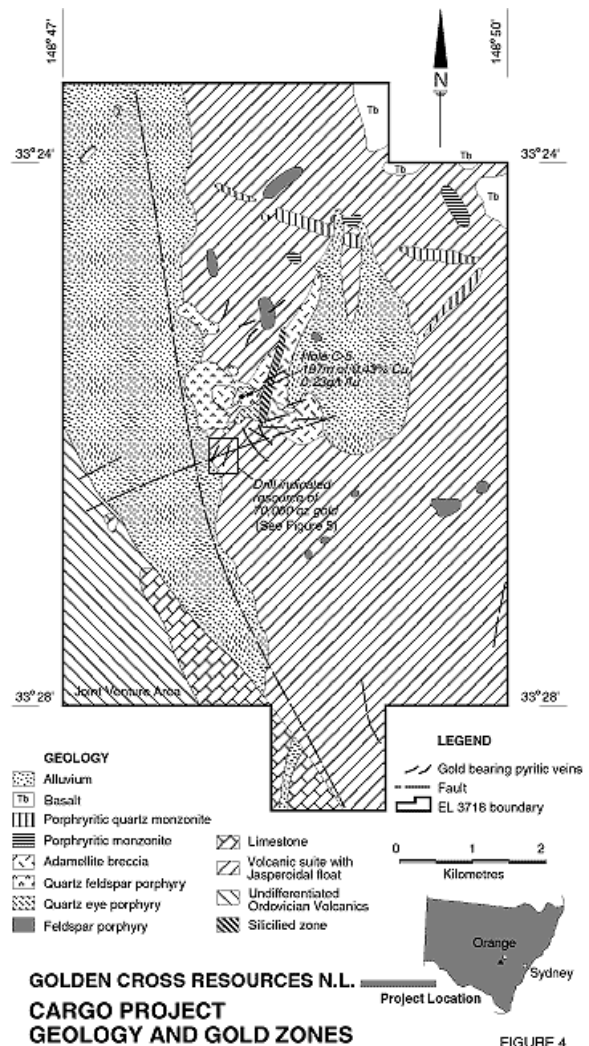
The Joint Venture area covers 60 sq km and contains at least 14 known zones containing gold veins. Porphyry style copper-gold mineralisation is known to exist in an area central to but separate from the gold zones (see Figure 4).

Golden Cross Resources is acquiring its 50% interest from Metallic Resources Pty. Ltd. for \$500,000 and 1.8 million shares in

Golden Cross Resources which will be held in escrow for 2 years.

The objectives of the Cargo Joint Venture are:

- i. Convert the drill indicated resource of gold in one zone of the surface radial vein systems (see Figures 4 and 5) to a mineable reserve status in the short term;
- ii. Complete a feasibility study and produce gold as soon as possible;
- iii. Block out measured resources by drilling other zones containing gold veins; and
- iv. Explore for and identify an economically viable porphyry copper-gold deposit.

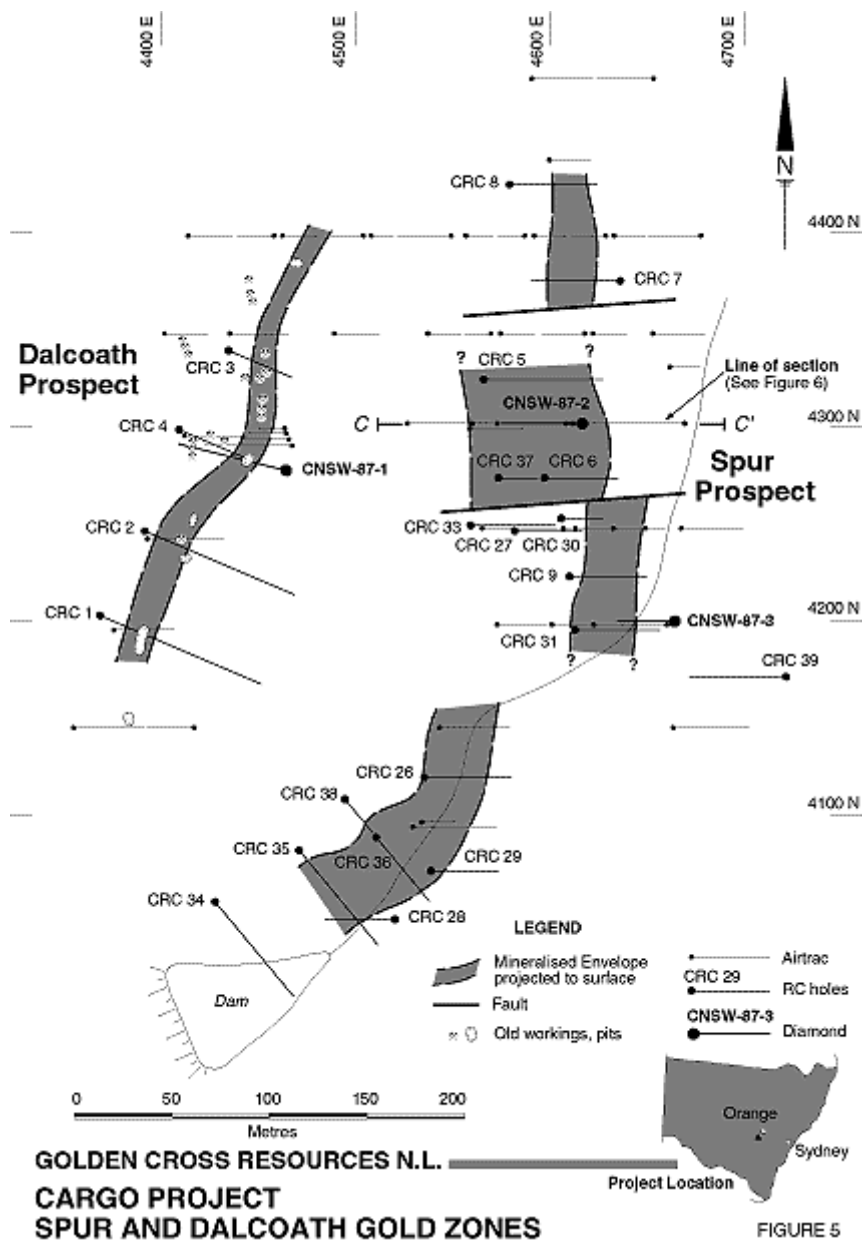


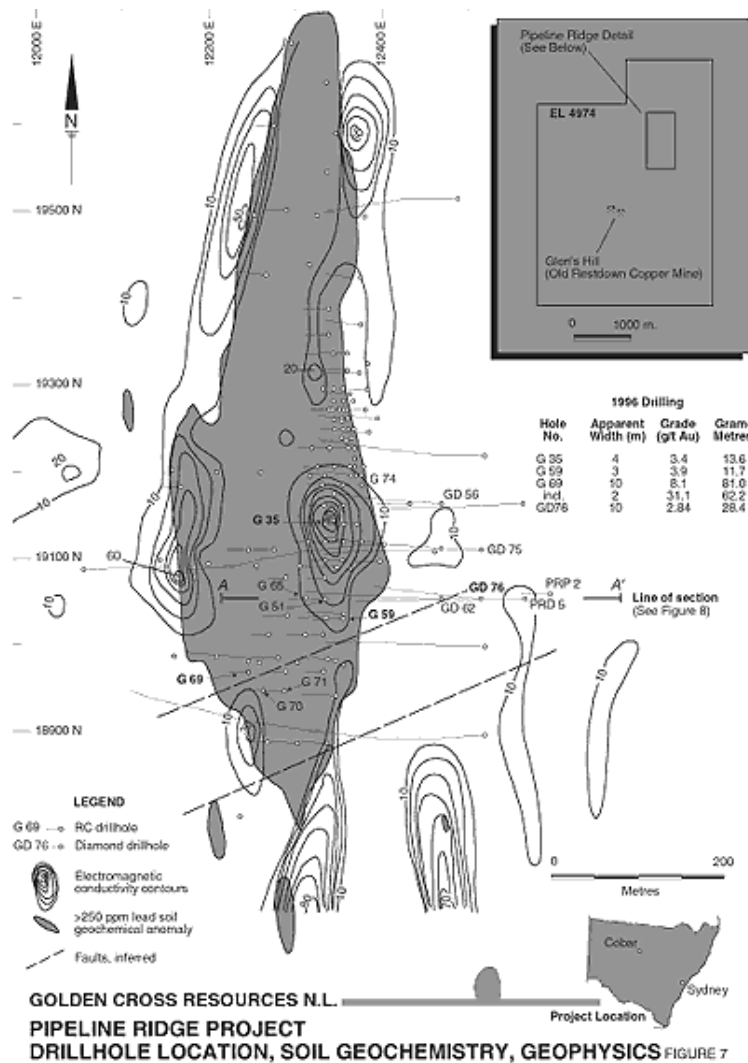
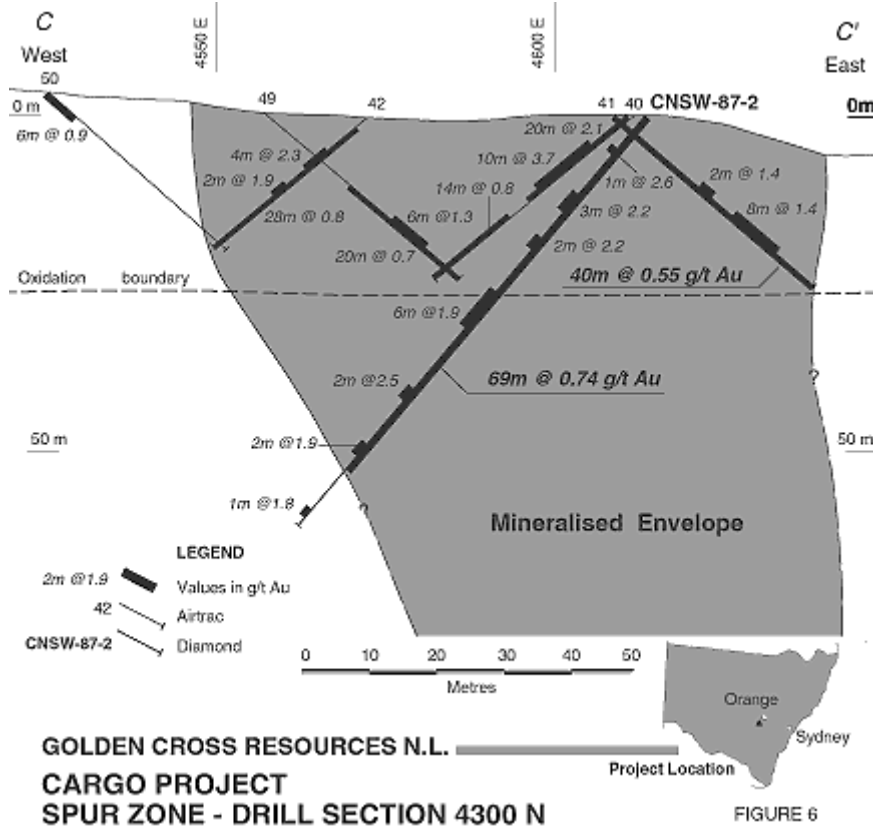
The salient features of the Cargo project are:

1. A radial vein system with a drill indicated resource of 1.05 million tonnes grading 2.1 g/t gold to a depth of 60m at a cutoff of 1.0 g/t. The veins have only been drilled to 60m depth and are open along strike and at depth (see Figures 5 and 6).
2. The Cargo tenements appear to contain a large porphyry-style mineralised system that displays geological similarities to other intrusive complexes

in the Lachlan Fold Belt which host copper-gold porphyry style deposits.

3. A drill intersection of 187m at 0.43% copper plus 0.23 g/t gold is one of a relatively small number of holes drilled into the porphyry copper-gold mineralisation. The deepest of these holes penetrated less than 200m vertically.





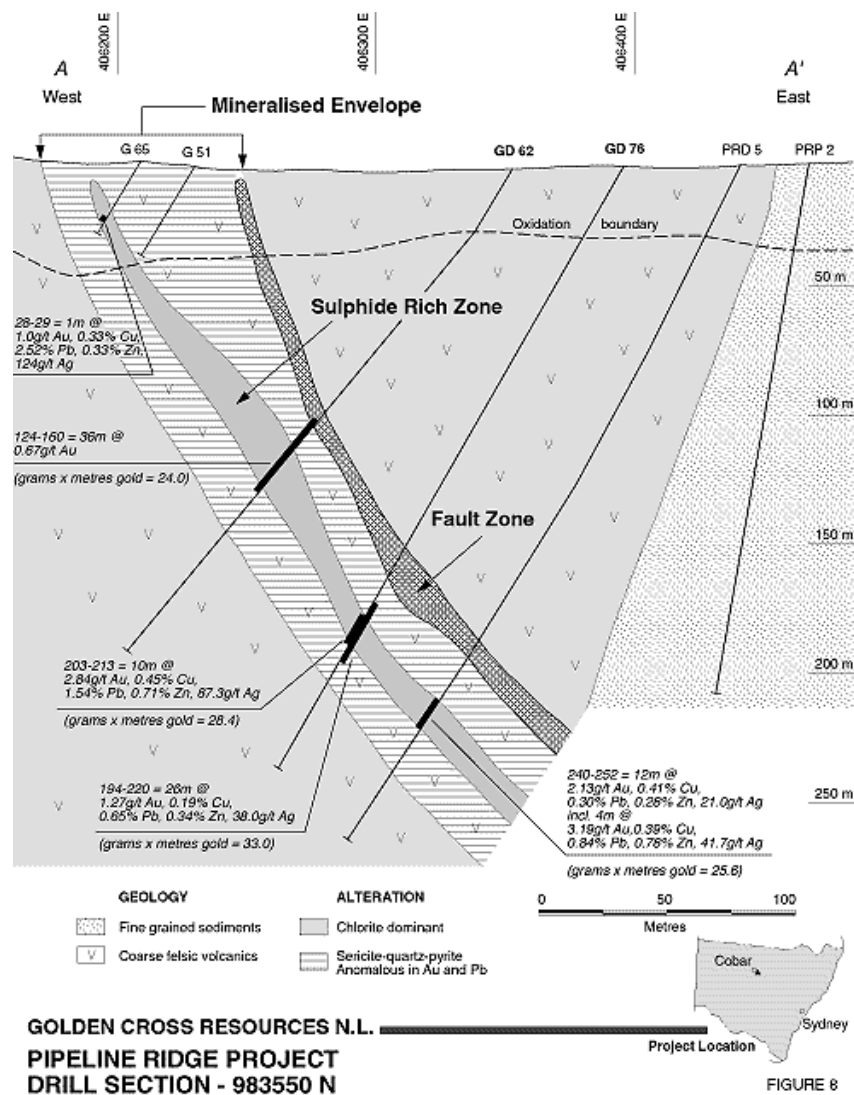
3. Pipeline Ridge, NSW (GCR 100%)

Four diamond drill holes were completed during the quarter for 1,017m. The location of the holes is set out in Figure 7.

The best result from the four holes was:

Drill Hole No.	From (m)	To (m)	Apparent Width (m)	Gold (g/t)	Copper (g/t)	Lead (%)	Zinc (%)	Silver (g/t)
GD76	103	113	10	2.84	0.45	1.54	0.71	87.3

The diamond drilling confirmed the presence of a broad, easterly dipping mineralised envelope some 50 to 60m wide (see Figure 8). The upper (eastern) boundary of the envelope is marked by a thrust fault. The lower (western) boundary is marked by a sharp alteration front which separates sericite-rich assemblages within the envelope from chlorite-rich assemblages outside the mineralised envelope. Within the envelope the rocks are strongly altered to sericite, quartz and pyrite. The geological evaluation of controls on mineralisation is continuing. The presence of black shales in the area of the indicated down plunge extension of the mineralised envelope is considered to enhance the prospectivity for finding higher grade mineralisation at the contact between the two units.



4. Glengarry Basin (GCR 70%)

Soil geochemical sampling on a 400m by 100m grid was carried out on the Heines Find, Dead Horse Well, and Mikhaburra tenements during the quarter. Geological mapping was carried out at Heines Find and regolith and geological mapping was carried out at Mikhaburra.

On 24 October 1996 Grange Resources NL announced a drill intersection of 4m at 171 g/t gold from 22m below surface in sheared mafics (Narracoota volcanics) at its Wembley Project in the Glengarry Basin. GCR's Heines Find prospect lies approximately 20 km to the east and contains known gold mineralisation along the Narracoota volcanics/Thaduna greywacke contact.

Further work at Heines Find and Dead Horse Well will concentrate on specific gold bearing structures along the prospective geological contact highlighted by the helicopter-borne magnetic survey flown previously by the Company.

5. Broken Hill, NSW (GCR 100%)

Regional geological mapping and rock chip geochemistry was carried out during the quarter with emphasis on the basal contact of ultramafic units known to contain copper-nickel sulphides with highly anomalous platinum group metals. Results will be announced in the December quarterly report.

6. Kempfield/Trunkey Creek, NSW (Kempfield - GCR Earning 51%, Trunkey Creek - GCR 100%)

A detailed induced polarisation survey is planned on the Wilsons Reef and Trunkey Creek licences during the fourth quarter with the aim of locating new gold reefs or extensions of previously worked gold reefs. A review of previous reports reveals indicates good potential for a mineable gold deposit in the Kempfield/Trunkey Creek area where over two dozen gold mines existed at the turn of the century. At Kempfield the four areas of drilled silver/barite resources lie along an identified volcanogenic massive sulphide horizon that is over three kilometres long. This horizon requires further detailed exploratory drilling.

7. Eaglehawk, NSW (Exploration Licence - GCR 100%, Gold Mining Lease - GCR has Option to Buy 100% for \$500,000 and 500,000 shares prior to 9 February 1997)

A drilling programme is planned for the fourth quarter 1996 to test the continuity of mineralisation in the workings of the gold mining lease, and to test the soil geochemical anomalies in the surrounding exploration licence which have never been drilled.

8. Maynard Hills, WA (GCR Earning 70%)

Geological and structural interpretation utilising available geophysical surveys and satellite imagery combined with field mapping has assisted regional exploration of the entire 65 km long tenement. Several areas of this underexplored greenstone belt have been selected for immediate follow up work including detailed soil sampling followed by drill testing of targets.

9. Warraderry, NSW (GCR 100%)

Detailed geological mapping over the tenement has revealed an association between alkalic rocks and gold mineralisation and has located a large rhyolite dome structure in the south of the tenement where gold mineralisation appears to be associated with high level intrusions.

DAVID TIMMS
MANAGING DIRECTOR

This report was prepared by David Timms who is a Fellow of the AusIMM and has more than five years experience in the field of activity in which he is reporting.

GCR AT A GLANCE

Directors

Lindsay MacAlister *Chairman*
David Timms *Managing Director*
John Hill *Director*
Daven Timms *Executive Director &
Company Secretary*

Registered and Principal Office

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Fax: (02) 9482 8488

Shareholders

At 30 September 1996 GCR had 1,135 shareholders.

Major Shareholders

The share register records the following as major shareholders at 30 September 1996:

1. David Timms	34.35%
2. New Zealand Petroleum Co.	2.27%
3. Westpac Custodian Nominees	1.52%
4. Perrodon Nominees Pty Ltd	1.30%
5. Cairnglen Investments Pty Ltd	1.07%

ASX Listing Code

The Company's ASX listing code is GCR.

Issued Capital

At 30 September 1996 the issued capital was 34,818,136 shares of 25 cents par value, 9 million options exercisable at 40 cents by 31.10.98, 5,159,058 options exercisable at 40 cents by 30.9.98 and 625,000 employee options exercisable at 30 cents by 20.9.2001.

Cash

As at 30 September GCR held cash reserves of \$4.97M.

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) 9247 8252

Reporting Calendar

December quarterly released 24 January 1997

General Enquiries

For further information please contact Daven or David Timms at the principal office ph. (02) 9482 8833.