

GOLDEN CROSS RESOURCES N.L.
ACN 063 075 178
QUARTERLY REPORT TO 31 DECEMBER 1996

28 January 1997

HIGHLIGHTS

Golden Cross Resources maintained an active programme over the December quarter in covering thirteen projects in NSW and WA, including 12,000m of drilling.

The Company involved over 15 geoscientists in professional programmes on these projects with emphasis on gold and porphyry copper-gold targets in NSW in the Lachlan Fold Belt and along the Gilmore Suture.

Wagga Tank, an important new project in NSW, was acquired.

Highlights were:

- Encouraging drill results at **West Wyalong**, NSW along the Mallee Bull line of lode.
- Three porphyry copper-gold targets established at **West Wyalong** for March quarter drilling.
- Extensive mineralised drill intersections in gold reefs radiating from porphyry Cu-Au system at **Cargo**.
- Continuing encouragement achieved in assessment work at **Pipeline Ridge**, NSW.
- Acquisition of 1.25 Mt polymetallic indicated resource at **Wagga Tank**, NSW.
- Platinum exploration at **Broken Hill**, NSW tenements continued to confirm high grade PGM gossans.

SUMMARY

At *West Wyalong, NSW* (on the Gilmore Suture) further reverse circulation percussion drilling was carried out on the two kilometre long Mallee Bull line of lode in the historic goldfield (Figure 1). The Mallee Bull line produced gold ore at an average recovered grade of 55 g/t. Drilling to date by Golden Cross Resources (Figure 2) has intersected gold reef and stope fill, with the following encouraging results:

Drill Hole No.	From (m)	Intercept (m)	Gold (g/t)
MBRC005	51	3	6.60
WWAC076	18	15	2.23
WWAC 114	27	9	3.90
WWAC121	18	6	3.83
WWAC134	30	6	6.72

Porphyry copper-gold targets were established at Narragudgil, Marshman's and Pine Hill/Pine Ridge prospects (Figure 1), to be followed up in the March quarter.

At *Cargo, NSW* the 50/50 Joint Venture between Golden Cross Resources (operator) and Imperial Mining NL completed 78 reverse circulation percussion drill holes. Although the known mineralised area at Cargo covers two kilometres by three kilometres, drilling by the Joint Venture has been restricted to the Spur and Dalcoath zones. These zones represent two of the 14 known gold reefs radiating out from a central porphyry copper-gold system located 15 km west of the Cadia porphyry copper-gold system. Best results to date, including previous drill holes by Cyprus Gold Australia Corporation, are set out below (Figures 3 & 4).

Drill Hole No.	From (m)	Intercept (m)	Gold (g/t)
JG51	0	30	2.03
JG57	0	75	0.75
JG60	0	35	2.71
incl.	0	20	4.25
JG65	23	7	3.27
and	35	38	1.49
incl.	65	6	2.07
JG70	0	92	0.77
JG74	41	37	1.36
incl.	74	2	5.87
Drill Hole No.	From (m)	Intercept (m)	Gold (g/t)

JG88	50	6	7.11
incl.	50	2	18.82
JG91	0	32	1.99
incl.	16	6	8.92
JG101	64	8	3.31
incl.	68	2	11.02
CRC6	4	46	1.34
CRC30	0	28	1.40
CRC36	28	16	3.90
CRC37	0	12	3.70

Key: CRC2 Cyprus Gold Australia reverse circulation percussion drill hole
JG40 Golden Cross Resources/Imperial Mining reverse circulation percussion drill hole

Pipeline Ridge, NSW (located on the Gilmore Suture near Cobar within the Cobar Supergroup formation) contains mineralisation similar to CRA's Peak Mine, located 45 km to the northwest. Compilation of exploration data and drilling results has confirmed a broad zone (up to 60m) of copper, lead, zinc, silver and gold mineralisation over 300m long and open at both ends and at depth. The following near-surface oxide gold intersections will be followed up in the March or June quarters (Figure 5):

Drill Hole No.	From (m)	Intercept (m)	Gold (g/t)
G68	35	2	4.72
G69	27	4	16.8

The *Wagga Tank, NSW* licence was granted during the quarter. The tenement lies 100 km southwest of the Pipeline Ridge/Sarona Downs Project and contains an indicated resource of 1.25 million tonnes of 0.66g/t gold, 0.81% copper, 1.76% lead, 3.29% zinc and 69g/t silver (Figure 7).

At *Broken Hill, NSW* high grade platinum/palladium results have been received from samples taken across the contact of ultramafic lenses with Proterozoic metasediments over six kilometres of strike and a new property acquired at Little Darling Creek (Figure 8). The best grades are from gossans collected from mullock dumps beside old prospecting pits and shafts, as follows:

Line Number	Platinum (g/t)	Palladium (g/t)	Gold (g/t)	Copper (%)	Cobalt (%)	Nickel (%)
3	8.02	35.5	0.31	0.79	0.02	0.67
4	4.56	22.6	0.18	0.70	0.03	0.57
5	8.71	17.9	1.29	0.98	0.01	0.26
8	8.96	5.70	0.07	0.25	0.02	0.40
9	6.97	20.4	0.08	3.43	0.08	1.52
15	4.64	3.82	0.39	1.18	0.02	0.36
17	8.40	10.8	0.10	0.69	0.02	0.73
19	20.6	38.0	0.59	2.95	0.07	1.88
20	14.9	13.7	0.77	1.50	0.08	1.32
21	17.3	28.8	0.48	2.80	0.03	1.25

The Company believes these results provide encouragement for the concept of a small resource to be found in the oxide zones of the ultramafics.

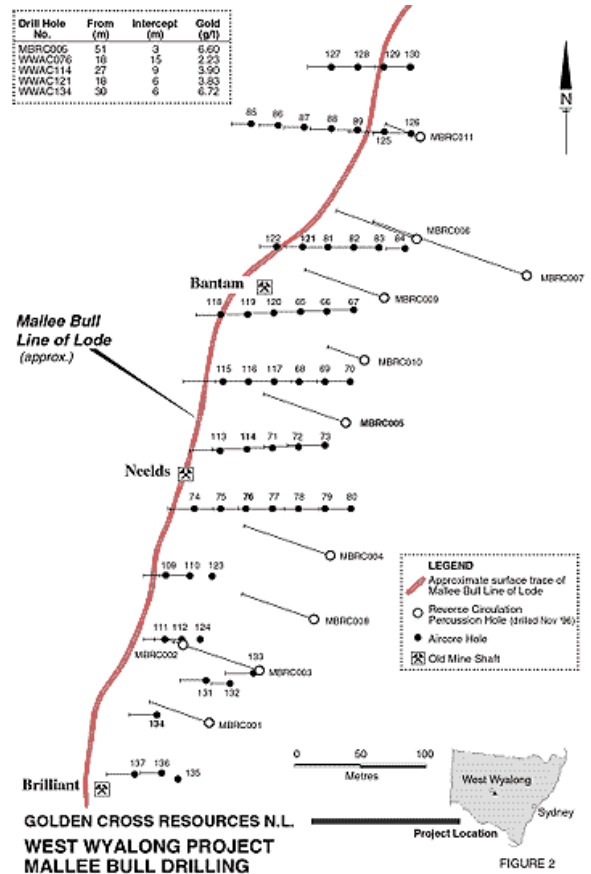
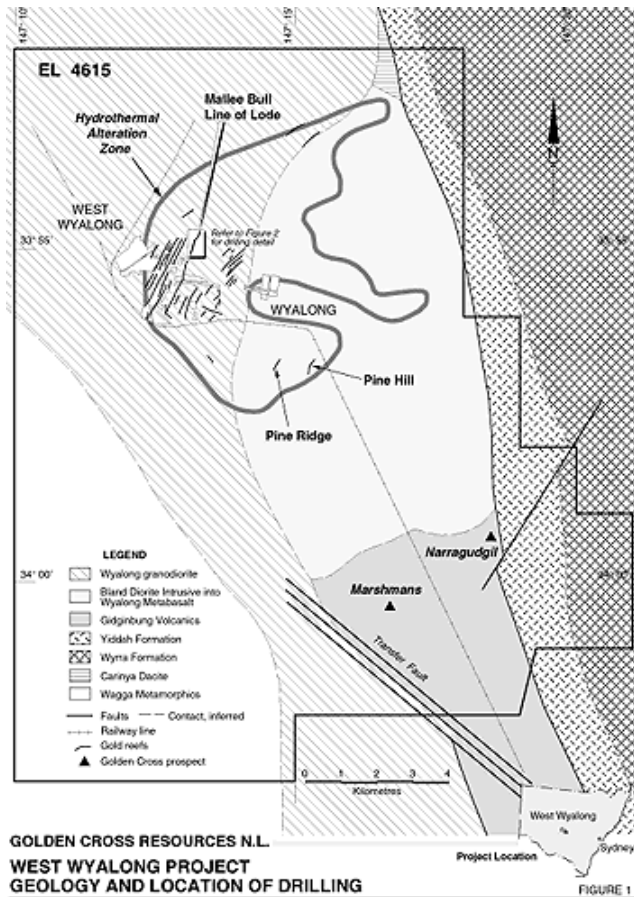
The Company's cash position is strong, with \$3.85 M held as at 31 December 1996.

Gordon McLean joined the Company as a senior geologist on 6 January 1997. He brings with him experience in exploration for underground gold reefs and base metal deposits gained through previous employment with Cyprus Gold Australia Corporation and Stawell Gold Mines Pty Ltd. Gordon will concentrate on the West Wyalong/Buddigower project.

EXPLORATION RESULTS

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

Eleven reverse circulation percussion drillholes were drilled to test for gold mineralisation to 200m depth along the Mallee Bull line of lode which produced gold ore at an average recovered grade of 55 g/t at the turn of the century (Figure 1). Five significant intersections were obtained (see table on page one, above) and drilling continues to test the vein system down plunge from the old workings (Figure 2). Material intercepted in these holes includes both vein mineralisation and mineralised stope fill. Drilling to date suggests that shearing is persistent along the line of lode and gold mineralisation occurs within the shear.



The exploration programme for the March quarter includes aircore drill testing of induced polarisation targets to the north along strike from the Mallee Bull line of lode and reverse circulation percussion drill testing of geophysical anomalies between Pine Hill and Pine Ridge and at Narragudgil and Marshman's (Figure 1). The latter three are copper porphyry targets containing elevated copper-gold geochemistry and propylitic to phyllic alteration.

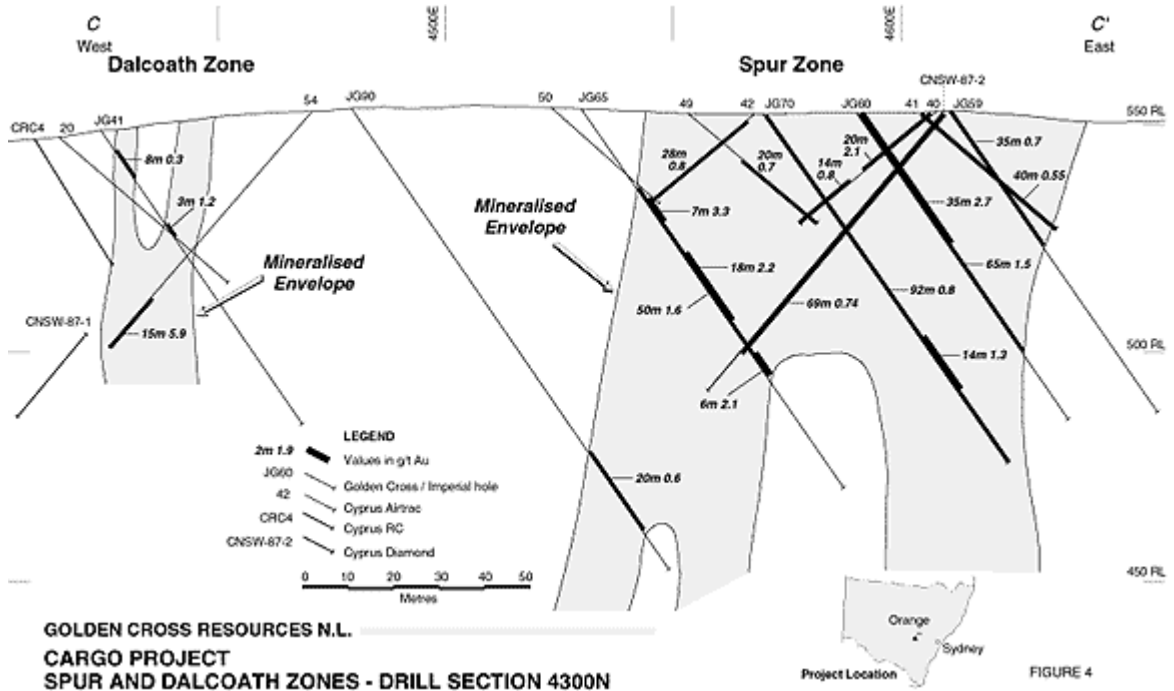
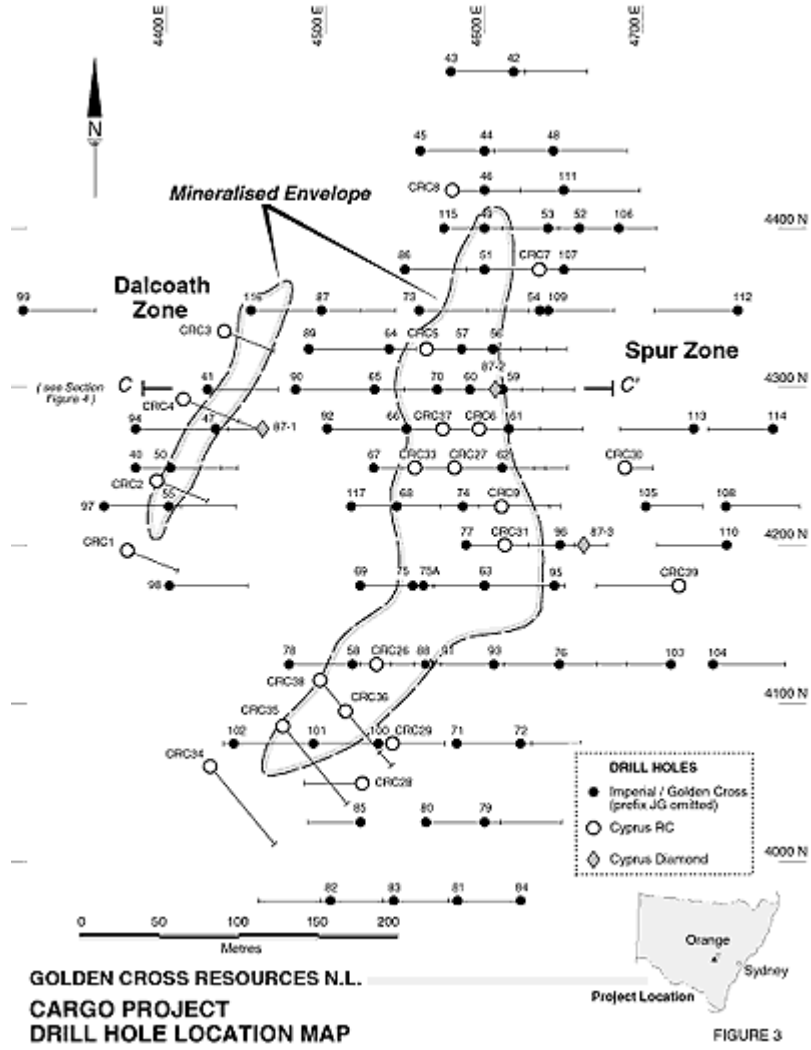
2. Cargo, NSW (GCR, operator, purchasing 50%)

Golden Cross Resources is the operator of the Cargo Joint Venture, which completed over 6,400m of drilling in the December quarter on the Spur and Dalcoath zones (holes JG 40-117, Figure 3). Significant results, based on a 1 g/t gold or 5 gram-metre gold cutoff, from this drilling and previous diamond and reverse circulation percussion drilling by Cyprus Gold Australia Corporation are set out in the table on the following pages.

Gold mineralisation at the Spur zone extends over a strike length of approximately 350m within an envelope of alteration up to 120m wide (Figures 3 & 4). A geological model is under construction to determine the structural controls of the gold mineralisation. Mineralised samples have been submitted for metallurgical testing.

A detailed helicopter-borne magnetic and radiometric survey (25m line spacing) over 16 km², covering the Cargo intrusive complex, was completed at the end of December. Preliminary data has outlined a large intrusive

complex containing several alteration zones and significant cross-cutting structures, some of which host known gold-copper mineralisation.



Drill Hole No.	East (m)	North (m)	Azi-muth (deg.)	Dip (deg.)	Elev. (m)	Hole Depth (m)	From (m)	To (m)	Inter-cept (m)	Gold (g/t)	Gram-Metres (m×g/t)
JG40	4380.0	4250.0	90	55	538.0	94.0	44	45	1	10.10	10.10
							69	71	2	7.48	14.96
JG51	4600.0	4375.0	90	55	561.0	81.0	0	30	30	2.03	60.90
JG52	4660.0	4400.0	90	55	569.0	85.0	30	40	10	1.18	11.80
JG54	4635.6	4349.0	90	55	559.5	80.0	55	65	10	1.27	12.70
JG55	4400.0	4225.0	90	55	538.0	75.4	25	28	3	7.75	23.25
JG56	4605.0	4325.0	90	55	555.5	81.0	0	10	10	1.26	12.60
							65	75	10	2.24	22.40
JG58	4515.0	4125.0	90	55	535.5	67.0	59	64	5	3.55	17.75
Incl.							59	61	2	7.70	15.40
JG60	4590.0	4300.0	90	55	552.0	81.0	0	35	35	2.71	94.85
Incl.							0	20	20	4.25	85.00
JG62	4610.0	4250.0	90	55	548.0	73.0	16	22	6	1.31	28.82
							30	33	3	1.31	43.23
JG63	4600.0	4175.0	90	55	541.5	85.0	9	14	5	1.09	5.45
							22	25	3	3.09	9.27
							51	57	6	2.73	16.38
Incl.							52	54	2	6.70	13.40
JG64	4540.0	4325.0	90	55	557.0	121.0	41	55	14	1.29	18.06
JG65	4530.0	4300.0	90	55	553.0	100.0	23	30	7	3.27	22.89
							35	73	38	1.49	56.62
Incl.							38	56	18	2.21	39.78
And							65	71	6	2.07	12.42
JG66	4550.0	4274.0	90	55	548.0	120.0	26	31	5	2.45	12.25
JG68	4544.0	4225.0	90	55	544.0	89.0	34	36	2	3.24	6.48
JG70	4570.0	4300.0	90	55	551.5	92.0	60	73	13	1.26	16.38
JG71	4580.0	4075.0	90	55	530.0	82.0	22	27	5	1.86	9.30
							59	70	11	1.02	11.22
Incl.							69	70	1	4.01	4.01
JG73	4558.5	4350.0	90	55	560.5	120.0	46	56	10	1.77	17.70
Incl.							46	47	1	6.94	6.94
JG74	4585.0	4225.0	90	55	544.5	96.0	41	78	37	1.36	50.32
Incl.							74	76	2	5.87	11.74
JG75	4553.0	4175.0	90	55	539.0	81.0	59	64	5	2.51	12.55
Incl.							59	61	2	5.47	10.94
JG77	4587.0	4200.0	90	55	541.5	96.0	10	20	10	1.06	10.60
							74	84	10	1.31	13.10
JG78	4475.0	4125.0	90	55	533.5	112.0	24	25	1	5.72	5.72
							55	56	1	9.43	9.43
							90	97	7	1.36	9.52
JG79	4600.0	4025.0	90	55	538.5	80.0	63	66	3	2.09	6.27
JG82	4500.0	3975.0	270	55	531.5	80.0	72	74	2	12.61	25.22
JG86	4550.0	4375.0	90	55	565.0	81.0	42	46	4	4.80	19.20
JG88	4562.8	4125.0	270	55	531.5	76.0	6	14	8	1.15	9.20
							50	56	6	7.11	42.66
Incl.							50	52	2	18.82	37.64
JG90	4480.0	4300.0	90	55	553.0	121.0	62	66	4	2.81	11.24
JG91	4564.3	4125.0	90	55	531.5	80.0	0	32	32	1.99	63.68
Incl.							16	22	6	8.92	53.52
JG92	4500.0	4275.0	90	55	550.0	120.0	36	40	4	4.98	19.92
Incl.							36	38	2	8.25	16.50
							82	86	4	7.87	31.48

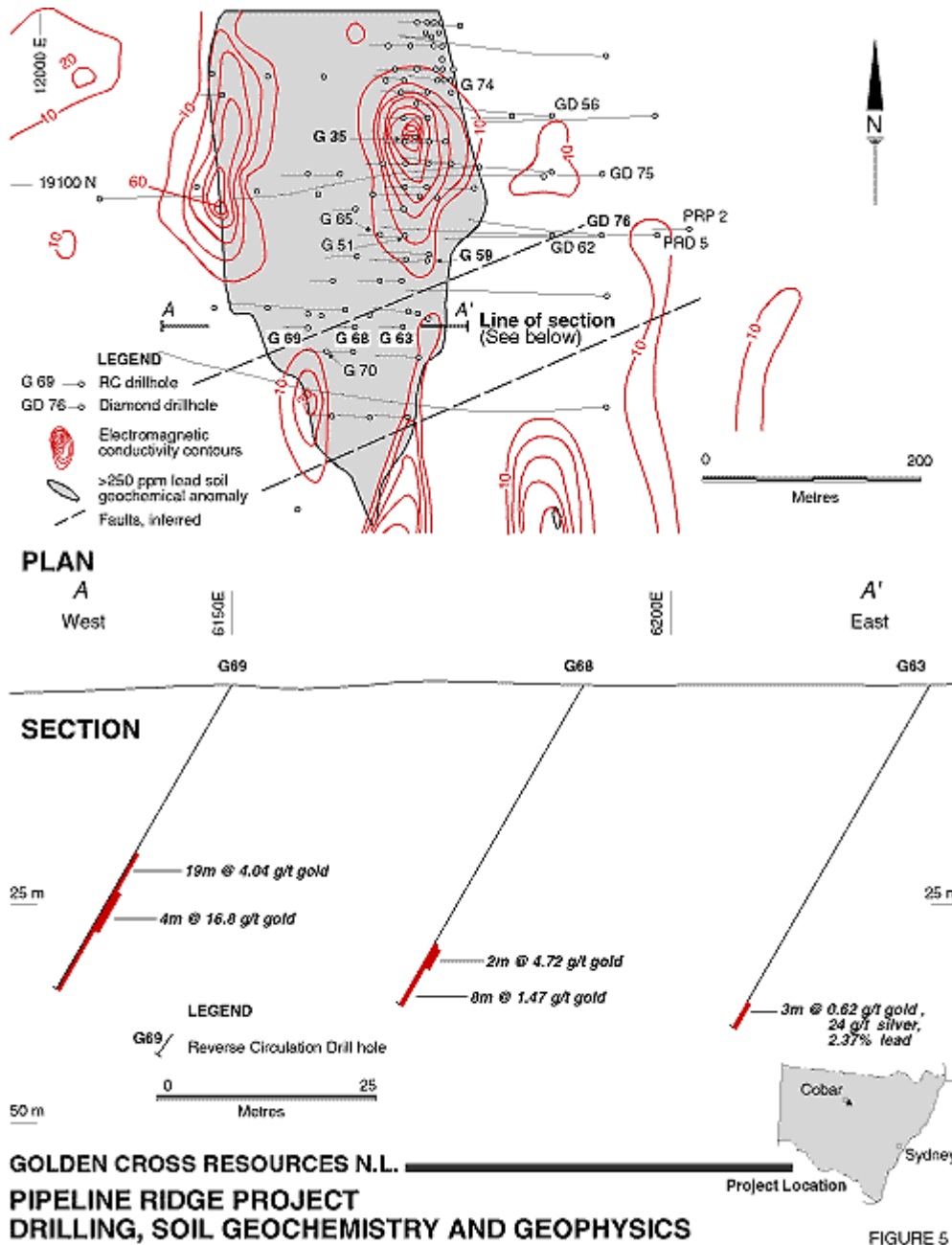
Drill Hole No.	East (m)	North (m)	Azi-muth (deg.)	Dip (deg.)	Elev. (m)	Hole Depth (m)	From (m)	To (m)	Inter-cept (m)	Gold (g/t)	Gram-Metres (m×g/t)
JG95	4642.6	4174.6	270	55	537.5	82.0	60	68	8	1.61	12.88
JG101	4490.0	4075.0	270	55	531.5	84.0	64	72	8	3.31	26.48
Incl.							68	70	2	11.02	22.04
							78	82	4	2.25	9.00
JG103	4715.0	4125.0	270	55	548.0	80.0	68	72	4	2.32	9.28
JG105	4700.0	4225.0	90	55	551.5	64.0	16	22	6	3.63	21.78
JG106	4685.0	4400.0	90	55	571.0	41.0	10	18	8	1.27	10.16
JG107	4650.0	4375.0	90	55	564.0	88.0	48	50	2	3.76	7.52
JG108	4750.0	4225.0	90	55	557.0	82.0	32	36	4	1.42	5.68
JG113	4730.1	4275.0	270	55	560.0	80.0	40	46	6	1.07	6.42
JG117	4515.0	4225.0	90	55	534.5	98.0	26	32	6	1.76	10.56
Incl.							26	28	2	4.37	8.74
87-2	4610.0	4298.0	270	50	553.0	79.0	15	19	4	1.82	7.28
							22	27	5	1.25	6.25
							33	42	9	1.42	12.78
							50	58	8	1.07	8.56
87-3	4661.0	4202.0	270	45	543.0	49.0	16	28	12	1.33	15.96
CRC2	4393.0	4243.0	113	55	539.0	60.0	16	22	6	2.50	15.00
							26	34	8	1.50	12.00
CRC5	4563.0	4326.0	90	50	556.5	92.0	10	11	1	19.30	19.30
							21	22	1	6.90	6.90
CRC6	4596.0	4275.0	90	55	550.0	66.0	4	14	10	1.00	10.00
							16	50	34	1.50	51.00
CRC9	4609.0	4225.0	90	55	545.5	66.0	34	42	8	2.00	16.00
CRC26	4530.0	4123.0	90	55	535.2	70.0	24	46	22	1.40	30.80
CRC27	4580.0	4250.0	90	55	547.0	100.0	54	64	10	3.50	35.00
CRC28	4520.0	4050.0	270	50	527.6	56.0	0	12	12	2.20	26.40
							22	32	10	2.40	24.00
CRC30	4687.0	4250.0	90	50	552.0	28.0	0	28	28	1.40	39.20
Incl.							22	28	6	4.90	29.40
CRC31	4611.0	4200.0	90	55	543.5	77.0	26	32	6	4.90	29.40
CRC35	4471.0	4087.0	141	50	532.0	100.0	12	30	18	2.20	39.60
CRC36	4510.0	4096.0	141	50	534.1	70.0	28	44	16	3.90	62.40
CRC37	4573.0	4275.0	90	55	549.0	100.0	0	12	12	3.70	44.40

Key: 87-2 Cyprus Gold Australia diamond drill hole
 CRC2 Cyprus Gold Australia reverse circulation percussion drill hole
 JG40 Golden Cross Resources/Imperial Mining reverse circulation percussion drill hole

3. Pipeline Ridge/Sarona Downs, NSW (GCR 100%)

Detailed geological analysis of the stratigraphy, structure and the distribution of gold mineralisation at Pipeline Ridge has confirmed a broad zone (up to 60m) of gold, silver, copper, lead and zinc mineralisation over 300m long and open at both ends and at depth. Drill testing of the southern extensions of the supergene zone, in the vicinity of holes G63, G68 and G69 (Figure 5), and the primary gold mineralisation at depth is scheduled for the June quarter.

Soil and rock chip sampling at Pipeline Ridge and Sarona Downs has identified new zones of gold and base metal mineralisation requiring follow up, including a distinctive gold in soil geochemical anomaly approximately 1.5 km south along strike from Pipeline Ridge.



4. Glengarry Basin, WA (GCR, operator, 77.2%, Grange Resources NL 22.8%)

A rotary air blast (RAB) drilling programme, consisting of 177 vertical holes for 3,932m, was completed by Golden Cross on the Telegraph, Mikhaburra and Dead Horse Well tenements (Figure 6). The drilling tested soil geochemical targets generated by an extensive soil sampling survey. Results have been received for the drilling at Telegraph and Mikhaburra. Best result to date is 4m at 0.19 g/t gold from 16m in hole GR007 on the easternmost line of Area A at Telegraph where mineralisation appears to be closely associated with the Naracoota volcanics/Karalundi sediments contact (Figure 6). Anomalous results were also obtained in Area D (4m at 0.12 g/t gold) and Area F (12m at 0.11 g/t gold) at Telegraph. At Mikhaburra (Figure 6) a single rock chip returned a result of 1.65 g/t gold.

At Heines Find (Figure 6) a review of soil geochemistry, geological mapping, helimag data and structural information has identified two targets south and east of the Heines Find workings, which will be drilled in the March or June quarters.

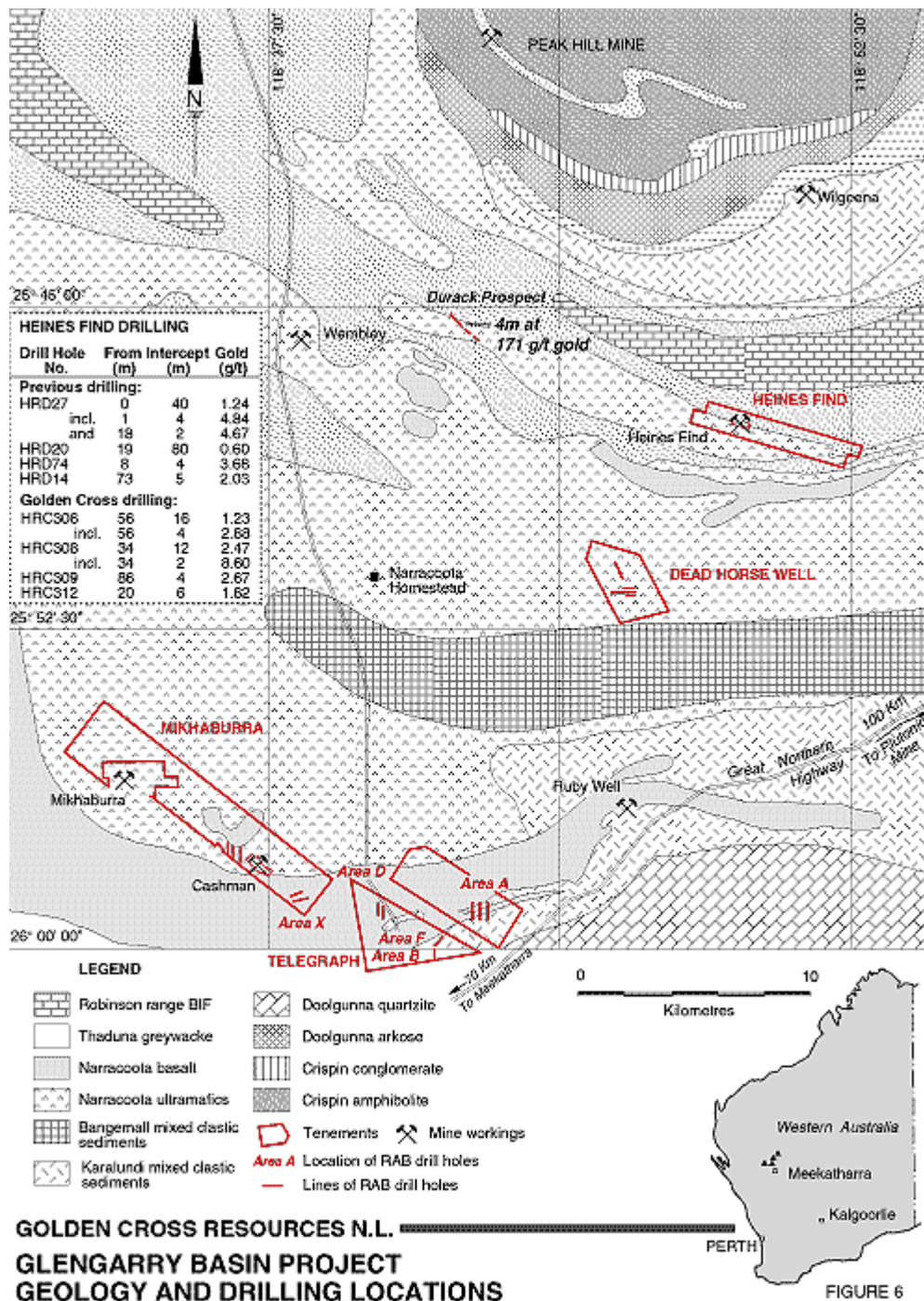


FIGURE 6

5. Wagga Tank, NSW (GCR 100%)

The Wagga Tank Project (EL 5130) is located 100 km south of Cobar in NSW, on the western margin of the Siluro-Devonian Cobar Trough. Rocks within the tenement comprise rhyolitic volcanics, shales and sedimentary breccias which are locally intruded by granites.

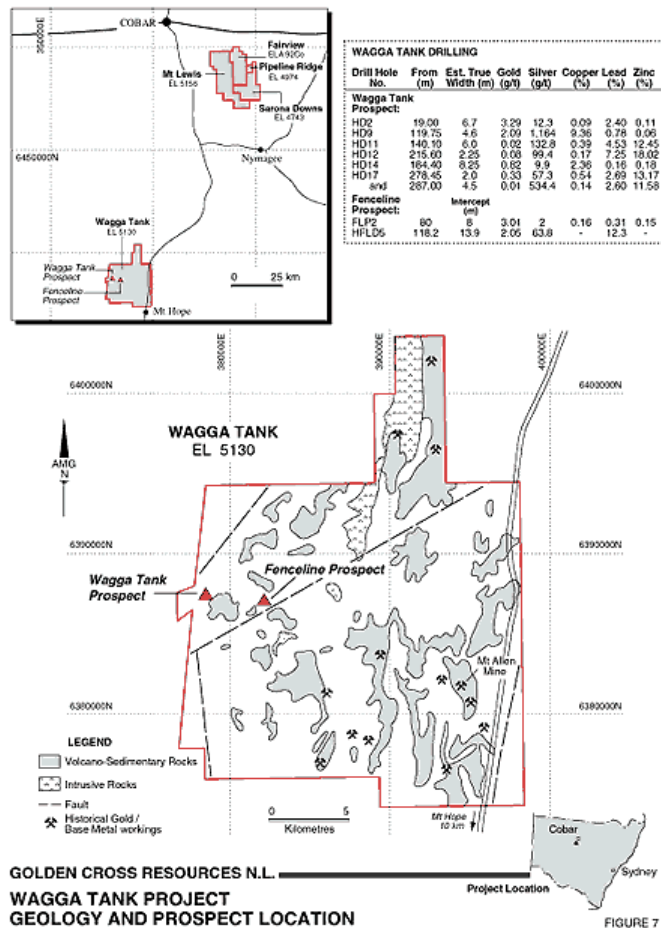
At the Wagga Tank Prospect (Figure 7) the volcano-sedimentary succession has been drilled by previous explorers. Some of the more significant intercepts include:

Drill Hole No.	From (m)	Est. True Width (m)	Gold (g/t)	Silver (g/t)	Copper (%)	Lead (%)	Zinc (%)
HD2	19.00	6.7	3.29	12.3	0.09	2.40	0.11
HD9	119.75	4.6	2.09	1,164	9.36	0.78	0.06
HD11	140.10	6.0	0.02	132.8	0.39	4.53	12.45
HD12	215.60	2.25	0.08	99.4	0.17	7.25	18.02
HD14	184.40	8.25	0.82	9.9	2.36	0.16	0.18
HD17	278.45	2.0	0.33	57.3	0.54	2.69	13.17
and	287.00	4.5	0.01	534.4	0.14	2.60	11.58

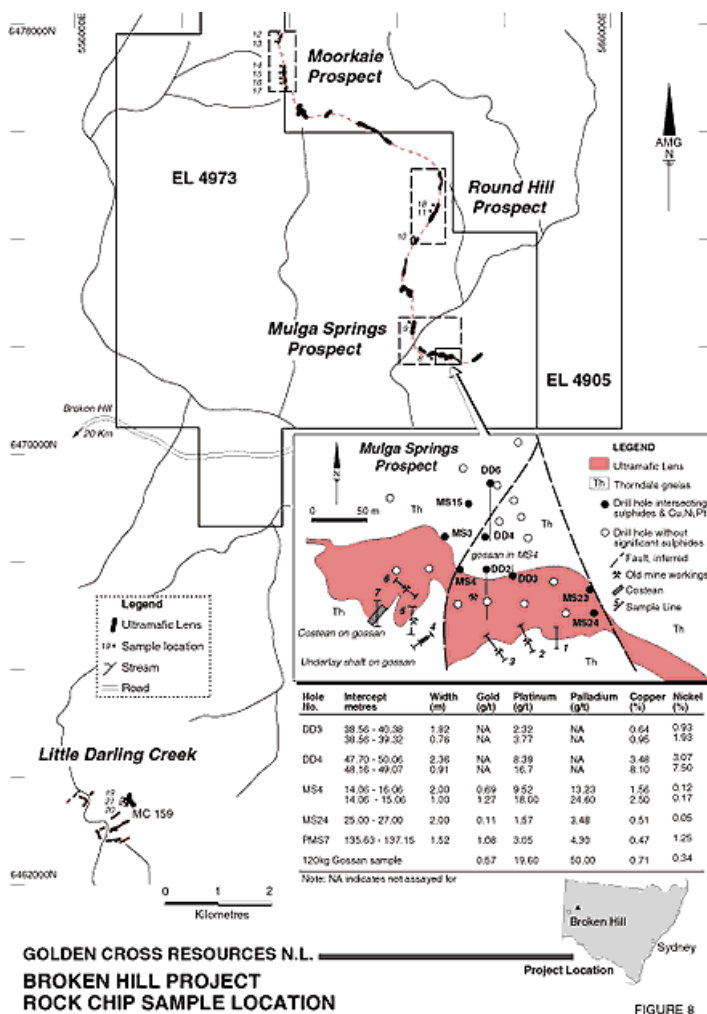
At the Fenceline Prospect (Figure 7) best results from drilling by previous explorers were:

Drill Hole No.	From (m)	Intercept (m)	Gold (g/t)	Silver (g/t)	Copper (%)	Lead (%)	Zinc (%)
FLP2	80	8	3.01	2	0.16	0.31	0.15
HFLD5	118.2	13.9	2.05	63.8	-	12.3	-

Other historic gold and base metal prospects and mines, including the Mt Allen Mine, exist within the tenement (Figure 7) and require follow-up exploration.



6. Broken Hill, NSW (GCR 100%)



A reconnaissance rock chip sampling programme was completed within the Broken Hill (EL 4973), Moorkaie (EL 4905) and Little Darling Creek tenements (Figure 8). The programme focused on the ultramafic intrusive body extending six kilometres from Moorkaie in the north to Mulga Springs in the south (Figure 8). Isolated ultramafic occurrences at Little Darling Creek (Figure 8) were also sampled. Previous explorers have drill tested the sulphide potential at Mulga Springs and have encountered a number of intercepts enriched in platinum group elements, copper, cobalt and nickel (Figure 8, table). An agreement was entered into during the quarter to purchase the Little Darling Creek tenement.

Golden Cross has been investigating the nature and tenor of the oxide mineralisation associated with the ultramafic intrusive. Work to date has included systematic one metre rock chip sampling of outcrops along a series of lines oriented approximately perpendicular to the strike of the host rocks. Sample lines were predominantly sited over old exploration pits and mine workings where gossan mullock samples were collected. These mullock samples produced the following significant results:

Line Number	Platinum (g/t)	Palladium (g/t)	Gold (g/t)	Copper (%)	Cobalt (%)	Nickel (%)
3	8.02	35.5	0.31	0.79	0.02	0.67
4	4.56	22.6	0.18	0.70	0.03	0.57
5	8.71	17.9	1.29	0.98	0.01	0.26
8	8.96	5.70	0.07	0.25	0.02	0.40
9	6.97	20.4	0.08	3.43	0.08	1.52
15	4.64	3.82	0.39	1.18	0.02	0.36
17	8.40	10.8	0.10	0.69	0.02	0.73
19	20.6	38.0	0.59	2.95	0.07	1.88
20	14.9	13.7	0.77	1.50	0.08	1.32
21	17.3	28.8	0.48	2.80	0.03	1.25

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

An induced polarisation/resistivity survey was carried out over the area of old gold workings on the Trunkey Creek and Wilsons Reef tenements. Results revealed north-south trending zones of high resistivity largely coincident with old workings and gold in soil geochemistry. A broad zone of very high apparent resistivity and semi-coincident high chargeability lies in the south near the Trunkey Creek township. The survey has confirmed a number of targets which require follow up by drilling.

8. 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)

Field reviews were carried out on the exploration licence and one rock chip sample taken from the reef in an old working assayed 114 g/t gold. Mapping and rock chip sampling programs are scheduled for the exploration licence in the March quarter.

9. Maynard Hills, WA (GCR, operator, Earning 70% from Barranco Resources NL)

This tenement covers a 60 km strike length of the Maynard Hills greenstone belt. An extensive soil sampling survey (1,079 samples) identified three gold in soil anomalies requiring follow up soil and rock chip sampling, due to be carried out in the March quarter. The most prospective gold and arsenic anomalies are associated with highly deformed silicified banded iron formation. RAB drilling is scheduled for the June quarter.

10. Warraderry, NSW (GCR 100%)

No work was carried out during the quarter.

11. Fairview/Mt Lewis, NSW (GCR 100% - Mt Lewis and 90% - Fairview, with Metallic Resources holding a 10% free carried interest to construction)

This project adjoins the Pipeline Ridge/Sarona Downs Project to the west (Figure 7). The tenement is located in a similar Ordovician Girilambone formation to Nord Pacific/Straits Resources' Girilambone Copper Mine (producing 15,000 tonnes per annum) and the Tritton Copper Project (inferred resource of 9.75 million tonnes grading 3.01% copper, 0.21 g/t gold and 11 g/t silver, containing 293,000 tonnes of copper, 66,000 ounces of gold and 3.4 million ounces of silver). Golden Cross Resources is exploring for similar sized deposits.

12. Albury, NSW (GCR 100%)

A licence was granted over the Albury project during the quarter. The tenement, approximately 150 km² in area, lies northwest of Albury and covers numerous old gold mines.

13. Cells Creek, NSW (GCR 51%)

The Company entered into a joint venture with Southpac Limited during the quarter and drilled six reverse circulation percussion holes to test an induced polarisation target over old gold workings at Cells Creek, near Wauchope. No significant mineralisation was intersected.

DAVID TIMMS
MANAGING DIRECTOR

This report was prepared by David Timms, Managing Director and full time employee of Golden Cross Resources NL, 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

22 Edgeworth David Avenue
Hornsby NSW 2077
Ph: (02) 9482 8833
Fax: (02) 9482 8488

Shareholders

At 31 December 1996 GCR had 1,103 shareholders.

Major Shareholders

The share register records the following as major shareholders at 31 December 1996:

1. David Timms	34.35%
2. New Zealand Petroleum Company	2.27%
3. Westpac Custodian Nominees	1.52%
4. Perrodon Nominees Pty Ltd	1.30%
5. Cairnglen Investments Pty Ltd	1.08%

ASX Listing Code

The Company's ASX listing code is GCR.

Issued Capital

At 31 December 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 725,000 employee options exercisable at 30 cents by 20.9.2001.

Cash

As at 31 December GCR held cash reserves of \$3.85M.

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

March quarterly released 24 April 1997

General Enquiries

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