

GOLDEN CROSS RESOURCES N.L.

ACN 063 075 178

QUARTERLY REPORT TO 30 JUNE 1997

29 July 1997

GOLD COAST GOLD CONFERENCE EDITION

This is a special edition quarterly for distribution at the Gold Coast Gold Conference on 30 and 31 August. The Company will be manning a booth at the conference and will be presenting to the conference on 31 August. This quarterly features broader summaries of exploration results for the top projects together with a corporate profile.

HIGHLIGHTS

The Company is continuing to upgrade and increase the value and potential of its portfolio of advanced exploration projects.

- At *Cargo*, 14m at 4.12 g/t gold from 38m was intersected in the Essex gold zone. Geological and geochemical characteristics display similarities to porphyry copper deposits elsewhere in the world.
- At *West Wyalong*, aircore drilling has revealed copper-gold-zinc bedrock anomalies associated with large gravity, magnetic and electromagnetic anomalies. The copper-gold-zinc anomaly extends along the Gilmore Suture for 6 km. The area has potential to host a major copper-gold porphyry deposit. New gold reefs have been located adjacent to the historic goldfield with potential for high grade shoots.
- At *Broken Hill* rock chip sampling of the Yellowstone prospect confirmed encouraging gold values for 100m along a copper-gold bearing ironstone formation, associated with an induced polarisation anomaly. Sampling of gossans within pits confirmed previous platinum-palladium assays.
- At *Wagga Tank* drill intersections, including 12m at 14.3% zinc, reveal a high grade zinc zone.
- The establishment of a *Web Site* featuring the latest on GCR: www.reflections.com.au/GoldenCross

SUMMARY

Drill results were received during the quarter for the Cargo, West Wyalong, Pipeline Ridge and Glengarry Basin projects.

At *Cargo, NSW*, recent work indicates the presence of a large copper and gold mineralised system which displays similar characteristics, in terms of geology, geochemistry, alteration and size, to porphyry copper deposits elsewhere in the world.

Work to date at Cargo has concentrated on the gold zones peripheral to the central porphyry zone (Figure 2) with best results set out below:

Essex	6m at 9.5 g/t from 30m 14m at 4.1 g/t from 38m
Golden Clad	6m at 3.5 g/t from 10m
Long Gully	2m at 8.9 g/t from 40m 6m at 2.7 g/t from 56m
Ironclad	2m at 9.2 g/t from 8m

SUMMARY

Cargo (Continued)

As announced to ASX on 22 May 1997, the inferred resource at the Spur/Dalcoath gold zones (Figure 2) now stands at 3.7 Mt at 1.24 g/t gold, at a 0.5 g/t cutoff, for approximately 147,000 ounces of contained gold. Additional mineralisation at the Essex, Golden Clad, Long Gully, Ironclad and Thistle gold zones continues to be tested.

Of the few holes which have been drilled into the large copper-molybdenum anomaly in the centre of the Cargo Intrusive Complex most have reported highly anomalous intercepts. The best intercepts are shown in Figure 2.

At **West Wyalong, NSW**, the Company is exploring for copper-gold porphyry deposits and high grade gold reefs. Two kilometres to the southeast of the historic goldfield recent work indicates that an annular zone of copper-gold-zinc mineralisation surrounds The Pines prospect and extends 6 km southward along the Gilmore Suture (Figure 3). The coincidence of geochemical anomalies with zones of conductivity suggests extensive sulphide deposition. The Company believes it has located a large intrusive complex centred on The Pines, with potential to host a major copper-gold porphyry deposit.

The Gidginbung Volcanics, now interpreted to extend further north than previously indicated, are the host rock to the porphyry copper prospects to the south including Rosedale, Mandamah and Yiddah (Figure 1). The porphyry copper-gold prospects at Narragudgil and Marshmans lie within Gidginbung Volcanics (Figure 3).

In the historic West Wyalong goldfield new gold reefs have been located in a number of reverse circulation drillholes to the east of the historic Mallee Bull Reef. In addition, another new reef was intersected 45m east of the Mallee Bull Reef, with an intersection of 3m at 6.5 g/t gold from 51m, reported in the December quarterly. Potential exists for high grade shoots to occur within and along strike from the new reefs and the search continues for other new reefs.

At **Copper Hill, NSW** Joint Venture partner Newcrest Mining (operator) has indicated that a programme of deep drilling is scheduled for late 1997 to test targets including those around drillhole CHRC58, drilled by others, which intersected 217m at 1.67 g/t gold and 0.72% copper.

At **Broken Hill, NSW** rock chip sampling of the outcropping ironstone formation at the *Yellowstone prospect* confirmed encouraging gold values. Best result to date is 4m at 16.35 g/t gold. Rock chip results reveal that anomalous gold values extend for 100m along the ironstone, associated with an induced polarisation anomaly (Figure 4). Anomalous copper in excess of 600 ppm and up to 8% occurs on the hanging wall side of the ironstone. The Company is targeting Proterozoic copper-gold bearing ironstone formations similar to the Selwyn and Ernest Henry deposits in Queensland.

At the *Moorkaie prospect* grab rockchip sampling by a prospector of narrow gossan lenses at various levels within two prospecting pits dug on the contact of an altered ultramafic and gneiss returned significant results. Various samples returned up to 27.8 g/t platinum, 27.9 g/t palladium, 14.7 g/t gold, 9% copper and 2% nickel (Figure 4).

At **Wagga Tank, NSW**, a high grade zinc zone was indicated from previous drilling by others (see table in Section 6, below).

EXPLORATION RESULTS

1. Cargo (NSW, 435 km², GCR (operator) 50%, Imperial Mining NL 50%, gold and copper)

Recent work by 50/50 Joint Venture partners Golden Cross Resources NL (operator) and Imperial Mining NL has confirmed the presence of a large copper and gold mineralised system which displays similar characteristics to porphyry copper deposits elsewhere in the world.

An announcement was made to ASX on 22 May 1997 regarding the developing porphyry copper picture at Cargo, the increased inferred resource at Spur/Dalcoath and the intersection of 14m at 4.12 g/t gold at the Essex gold zone.

Geochemical Zonation

Compilation of over 3,000 bedrock and 2,700 soil assays collected by explorers over the last 30 years reveals a picture of geochemical zonation around a central intrusive breccia body (Figure 2). Highly anomalous copper, in excess of 1200 ppm and up to 1.4%, occurs in bedrock samples over the breccia. Surrounding the breccia is a **large anomalous copper zone 1.4 km long and 0.6 km wide**. The copper anomaly in this zone is in excess of 600 ppm in rock chips, coincident with a molybdenum anomaly with values in excess of 40 ppm, including spot highs of over 500 ppm. Gold results in the copper-molybdenum zone are in the range 0.1 to 0.3 g/t.

Peripheral to the copper-molybdenum zone is a halo of elevated gold mineralisation some 200m wide which hosts 14 gold reefs mined at the turn of the century. Gold values in this zone range from 0.1 to 104 g/t with the best intersections to date being from the Essex zone: **6m at 9.53 g/t gold from 30m depth below surface and, 30m to the northwest, 14m at 4.12 g/t gold from 38m**. Partly coincident with the gold halo and extending from the central breccia is a zone of anomalous zinc mineralisation.

Alteration Pattern

Detailed geological mapping and alteration studies recently completed indicate that the central breccia and surrounding porphyritic intrusive rocks lie within the copper-molybdenum anomaly and are characterised by potassic alteration mineral assemblages and the presence of stockworks and sheeted quartz veins. These veins are predominantly hosted within a **northwest trending structural corridor containing intense faulting and fracturing which extends for over 2 km and is up to 500m wide**. The orientation of this corridor, its geology and its associated sheeted quartz veins systems display a striking similarity to the northwest-trending corridor which hosts the nearby Cadia/Ridgeway deposits currently being developed and explored by Newcrest Mining Limited.

The sheeted and stockworked quartz veins at Cargo are typical of those which host porphyry copper gold and molybdenum deposits worldwide. To date these quartz veins have not been systematically drill tested. Of the few holes which have been drilled within the large copper-molybdenum anomaly in the centre of the Cargo Intrusive Complex most have reported highly anomalous intercepts. The best intercepts are shown in Figure 2.

Intrusive and volcanic rocks which are altered to phyllic (quartz-sericite-pyrite) mineral assemblages occur in the gold halo. Phyllic assemblages give way to propylitic assemblages in the surrounding zinc-anomalous zone. The limits of the propylitic zone are unknown.

Porphyry Target

Work by the Joint Venture has shown that, although porphyry-style mineralisation occurs at Cargo, to date it has received very little systematic exploration.

While the Cargo Joint Venture continues to evaluate gold deposits in the peripheral gold halo (see below for latest drill results) the porphyry in the central part of the system presents a **highly prospective target which will require a major exploration programme for thorough evaluation.**

Latest Drill Results

The Joint Venture has continued to evaluate the 14 gold zones which lie peripheral to the intrusive complex. Scout drilling of the Essex, Thistle, Ironclad, Golden Clad and Long Gully zones (Figure 2) during the quarter has produced a number of significant results as follows:

Cargo Gold Zones - Significant Drill Results

Gold Zone	Drill Hole No.	East (m)	North (m)	From (m)	Intercept (m)	Gold (g/t)
Essex	JG140	667090	6299365	38	14	4.12
	incl.			50	2	23.48
	JG143	667104	6299399	84	4	4.21
	incl.			86	2	7.75
	and			104	8	1.48
Golden Clad	incl.			110	2	4.61
	and			148	2	5.43
	JG144	667224	6299310	78	6	1.67
	JG150	667283	6300205	10	6	3.58
	incl.			12	2	7.33
Long Gully	JG146	667443	6300377	10	34	0.73
	incl.			36	8	1.49
	JG147	667428	6300360	40	20	1.49
	incl.			40	2	8.98
	incl.			58	2	2.10
Ironclad	JG148	667016	6299327	56	14	1.50
	incl.			56	6	2.73
	incl.			60	2	5.52
	JG123	667459	6300029	8	14	1.01
	and			34	8	1.98
Thistle	JG127	667533	6300189	2	16	1.97
	incl.			8	2	9.26
	JG138	667519	6300211	8	2	5.25
	JG133	666892	6299087	30	8	1.79
	incl.			32	2	3.33

A diamond drill hole has been completed to 339m below the Spur/Dalcoath gold zones. It encountered intense chlorite-carbonate alteration with veins of quartz, carbonate, pyrite, chalcopyrite and chlorite. Results are awaited. **A number of deep diamond drill holes are planned to test the copper-gold porphyry targets.**

New Licence and Option

EL 5302 (Cargo Southwest) was granted to the Joint Venture partners during the quarter. Cargo Southwest adjoins EL 5211 (Cargo West) to the south and is 75 km² in area. The Joint Venture partners also obtained an option over the Golden Clad and Long Gully Mining Leases (MLs 960, 1092 and GL 3694) during the quarter. Best results to date from Golden Clad and Long Gully are set out in the table above.

2. West Wyalong (NSW, 290 km², GCR earning 90%, subject to 2.5% net smelter return, gold and copper)
(West Wyalong North - 120 km², GCR 100%, gold) (Buddigower prospect - 3 km², GCR 100%, gold)

The West Wyalong project lies on a flexure in the Gilmore Suture (Figure 1) and is prospective for copper-gold porphyry deposits and high grade gold reefs adjacent to the historic goldfield.

Copper-Gold Porphyry Potential

Work on the copper-gold porphyry potential during the quarter included soil sampling, 2,500m of aircore drilling and reinterpretation of the geological and structural setting. Preliminary interpretation suggests the **prospective Giginbung Volcanics extend further north than previously indicated** and that a variety of related intrusive rocks occur within the magmatic complex. These include the centrally located Bland Diorite, an eastern monzodiorite and a northern quartz diorite (Figure 3). The Gidginbung Volcanics have been the host rock to the porphyry copper prospects to the south, including Rosedale, Mandamah and Yiddah (Figure 1).

The Bland Diorite lies immediately to the east of the Gilmore Suture. To the west of the Suture and adjacent to the Bland Diorite lies the historic West Wyalong Goldfield hosted within Wyalong Granodiorite. The structural setting is dominated by two major northward diverging faults; the East and West faults. These are connected by sinuous, generally north trending, curvilinear faults, the most prominent of which is the Gilmore Suture.

The geological and structural interpretation of the area between the East and West faults indicates that it was a **large zone of dilation** into which the Bland Diorite and gold bearing quartz veins were introduced. Geophysical interpretation supports this hypothesis. A major gravity anomaly is centred on the Bland Diorite in the area known as "The Pines" (Pine Hill and Pine Ridge prospects) and the distribution of this intrusive rock is characterised by two large conductivity lows surrounded by annular rims of relatively high conductivity. On the western side of the Bland Diorite, adjacent to the Gilmore Suture, is a corridor of magnetic highs interpreted to represent an extensive zone of contact metamorphism in older, overlying volcanic rocks. An area of contact metamorphism and alteration encompasses the West Wyalong Goldfield and the Bland Diorite and is some 10km in diameter.

Soil sampling and aircore drilling by the Company and compilation of all previous data indicates that an annular zone of **copper-gold-zinc mineralisation** (coincident with zones of elevated conductivity) **surrounds The Pines and extends 6 km southward along the Gilmore Suture** to a major NE-trending structure which hosts the Marshmans and Narragudgil prospects. The coincidence of geochemical anomalies with zones of conductivity suggests extensive sulphide deposition. Drilling by other explorers at **Narragudgil** indicated the presence of a strong sericite-chlorite-pyrite **alteration zone some 900m long and 400m wide** which is hosted in Gidginbung Volcanics adjacent to an altered intrusive. A **copper anomaly greater than 400ppm, with values up to 1.32%, over an area of approximately 4 km²**, has been delineated by RAB drilling within the alteration zone.

Golden Cross Resources believes it has located a **large intrusive complex centred on The Pines**. Preliminary data suggests **the complex has potential to host a major porphyry copper or gold deposit** similar to Lake Cowal, located to the northeast of West Wyalong, or the Parkes porphyries located to the east. Geochemical evaluation of the tenement to date has been encouraging and further soil and aircore drilling programmes are scheduled.

High Grade Gold Reefs

The town of West Wyalong was literally built on the successful mining of narrow high grade gold reefs which averaged 44 g/t gold at the peak of mining activity at the turn of the century. Golden Cross Resources has had modest success to date in its search for extensions to old gold reefs and new reefs under soil cover.

Recent shallow aircore drilling in the historic West Wyalong goldfield has determined the location of the richest producer, the Mallee Bull Reef. A line of four reverse circulation drillholes over 200m strike

length have intersected gold mineralisation east of the Mallee Bull reef. **The new reef is indicated by four three metre intercepts** ranging from 1.3g/t gold to 1.4 g/t gold at about 80m depth, with each intercept consistently located 20-30m east of the Mallee Bull Reef. These four intercepts were from the only holes to test below 50m within a 200m strike length. **Another new reef** was also located 45m east of the Mallee Bull Reef, with an intersection of **3m at 6.5 g/t gold** from 51m, reported in the December quarterly. Potential exists for high grade shoots to occur within and along strike from the new reefs.

3. Copper Hill (at Molong, NSW, 25 km², GCR 31.33%, Newcrest Mining Limited (operator) 68.67%, gold and copper)

Compilation of previous exploration data by Newcrest Mining (operator) is nearing completion. Newcrest has indicated that a **programme of deep reverse circulation and diamond drilling is scheduled for late 1997** to test targets around hole CHRC58, drilled by others, which intersected 217m at 1.67 g/t gold and 0.72% copper, together with targets generated by the reverse circulation drilling.

The following significant results from reverse circulation drilling by previous explorers have not been reported in GCR quarterlies:

Drill Hole No.	East (m)	North (m)	From (m)	Intercept (m)	Gold (g/t)	Copper (%)
NCH007*	674311	6341082	68	88	0.58	0.60
and			289	33	1.11	0.56
incl.			304	5	4.06	1.60
CHRC-3	674830	6340628	2	10	2.14	0.31
and			36	13	1.2	0.7
and			60	10	1.5	0.3
CHRC-7	674848	6340715	6	8	2.10	0.34
CHRC-38	674089	6341191	14	12	1.21	2.28
and			30	8	0.77	0.77
CHRC-39	674081	6341240	24	6	1.1	1.2
CHP-10	674721	6340768	Surface	24	0.77	0.63
CHP-16	674732	6340737	Surface	20	1.32	0.48

Note: * Diamond Drill Hole

4. Pipeline Ridge/Sarona Downs (near Cobar, NSW, 120 km², GCR 100%, gold and base metals)

A mineralised envelope, some 50 to 60m wide, along a thrust fault has been delineated by drilling for over 300m along strike at Pipeline Ridge. Mineralisation appears to be related to the footwall portion of the fault where extensive brecciation has taken place. A detailed review and compilation of all previous data will be completed with a view to outlining specific drill targets.

Results from the final 500m out of a 1,500m reverse circulation drill programme have been received and best results follow. A soil sampling programme is also planned, designed to cover gold anomalous horizons within the Pipeline Ridge and Sarona Downs tenements.

Pipeline Ridge - Significant Drill Results

Drill Hole No.	East (m)	North (m)	From (m)	Intercept (m)	Gold (g/t)
G88	406150	983510	32	12	1.17
incl.			42	2	3.57
G93	406230	983450	42	6	2.05

5. Glengarry Basin (near Meekatharra, WA, 160 km², GCR (operator) 83.3%, Grange Resources 16.7%, gold)

A 10,500m programme of RAB (rotary air blast) drilling, commenced during the March quarter was completed during the June quarter, with significant results tabulated below.

RAB drilling at *Heines Find* prospect has confirmed significant mineralisation is confined to the contact between the mafic volcanics and sediments.

Infill RAB drilling at *Dead Horse Well* prospect has delineated a NNW trending mineralised shear within mafic volcanics. Best results were 1.0m at 1.5 g/t gold at the bottom of drill hole GR403 and 2.0m at 2.0 g/t gold in drill hole GR401 located 100m to the northwest. Additional drilling is required to determine the strike extent.

Infill RAB drilling at *Telegraph* has identified a mineralised structure believed to trend NNE. Best result returned was 11 metres at 0.5 g/t gold in drill hole GR 441.

At the end of the quarter Golden Cross Resources, in conjunction with its Joint Venture partner Grange Resources NL was actively seeking a Joint Venture partner on all of the Glengarry Basin tenements.

Glengarry Basin - Significant RAB Drill Results

Prospect	Drill Hole No.	East (m)	North (m)	From (m)	Intercept (m)	Gold (g/t)
Heines Find	GR246	684340	7145000	21	1.0	1.5
	GR291	685700	7144660	7	3.0	1.1
	and			16	1.0	3.6
	and			22	1.0	2.1
Dead Horse Well	GR292	685700	7144700	22	1.0	4.9
	GR401	679000	7137940	32	2.0	2.0
	GR403	679040	7137840	26	1.0	1.5
	GR409	678960	7137740	17	2.0	1.1
Telegraph	GR441	670515	7123350	12	11	0.5

6. Wagga Tank (near Cobar, NSW, 470 km², GCR 100%, gold and base metals)

The volcano-sedimentary succession has been drilled by previous explorers and some of the more significant intercepts not reported in previous quarterlies include:

Drill Hole No.	East (m)	North (m)	From (m)	Intercept (m)	Gold (g/t)	Silver (g/t)	Copper (%)	Lead (%)	Zinc (%)
WTP-17	10816	11100	76	12	1.33	108.33	0.56	1.94	0.24
WTP-18	10903	11050	28	20	3.11	6.27	0.11	1.65	0.04
incl.			28	4	8.25	150.50	0.23	2.92	0.06
WTP-18A	10903	11045	10	28	2.03	25.64	0.15	1.30	0.04
incl.			26	8	3.77	35.50	0.13	2.37	0.04
HP8	10845	11050	64	10	3.19	82.6	2.14	1.76	0.05
HD16	10803	11001	147.4	16.2	0.12	51.0	0.10	2.56	5.13
incl.			151.5	2.7	0.11	8.6	0.17	7.24	12.05
HWTD9	10780	11100	119.8	13.5	1.4	468	4.6	1.09	0.12
HWTD11	10800	11000	137.5	12.0	0.05	181	0.48	6.10	14.33
HWTD19	11100	11044	204	11	2.99	34.73	1.18	0.10	0.14

Note: WTP, HP = percussion hole; HD, HWTD = diamond hole

7. Broken Hill (NSW, 114 km², GCR 100%, gold, platinum group metals and base metals)

At *Yellowstone* prospect further rock chip sampling was undertaken over the outcropping ironstone formation. Initial sampling returned anomalous values as reported in the March quarterly. Results of the resampling are as follows (Figure 4):

Yellowstone Prospect, Broken Hill - Rock Chip Sampling Results

Line Reference (m North)	Initial Sampling (g/t gold)	Resampling (g/t gold)
539.8	4m @ 16.30	5m @ 5.04
558.4	4m @ 16.35	5m @ 3.43
568.4	4m @ 1.67	5m @ 1.30
578.7	4m @ 0.96	5m @ 0.11
588.9	4m @ 1.04	5m @ 1.88

The lower values returned from the resampling may be due to the inclusion of an extra metre and the uneven distribution of gold in the rock. The zones contain significantly anomalous gold.

In addition to the resampling, 196 rock chip samples were collected at the prospect. Results reveal that anomalous gold values are restricted to the ironstone outcrop and extend for 100m along strike. Anomalous copper in excess of 600 ppm and up to 8% occurs predominantly in schists on the immediate hanging wall side of the ironstone and transgresses to the footwall locally. Both lead and zinc are anomalous up to 30m into the hanging wall rocks. An induced polarisation anomaly is associated with the ironstone formation over the 100m strike length.

At the *Yellowstone* prospect the Company is targeting copper-gold bearing sulphide-rich ironstone formations similar to Proterozoic ironstones in Queensland such as the Selwyn and Ernest Henry deposits.

Stream sediment sampling over the *Moorkaie* tenement (EL 4905, Figure 4) has revealed a zone of anomalous gold, silver, copper, lead, zinc, cobalt and nickel, extending for about 8 km to the NNE from Moorkaie trig station at a width of up to 2 km.

At the *Moorkaie* prospect grab rockchip sampling by a prospector of narrow gossan lenses at various levels within two prospecting pits dug on the contact of an altered ultramafic and gneiss gave the following significant results (Figure 4):

Moorkaie Prospect, Broken Hill - Rock Chip Sampling Results

PIT A AMG 6477175N, 559825E

Sample No.	Platinum (g/t)	Palladium (g/t)	Gold (g/t)	Silver (g/t)	Copper (%)	Nickel (%)
GU	0.2	4.4	1.8	–	4.2	2.0
GV	27.8	6.0	–	8.1	0.5	0.9
GY	0.3	2.7	–	2.0	0.7	1.8
GZ	4.4	14.8	–	33	1.1	1.7
EU	1.4	13.6	1.5	115	9.0	1.2
FK	6.8	27.9	14.1	69	2.0	1.8
FL	0.45	–	14.7	12.3	1.2	0.8

Moorkaie Prospect, Broken Hill - Rock Chip Sampling Results

PIT B AMG 6476845N, 559910E

Sample No.	Platinum (g/t)	Palladium (g/t)	Gold (g/t)	Silver (g/t)	Copper (%)	Nickel (%)
EX	–	–	3.6	3.6	1.3	–
HA	4.4	28.6	–	90	0.4	0.6
HB	6.2	12.0	–	70	0.4	0.7
IS	14.6	5.6	–	18.6	1.32	2.65
IT	0.5	1.75	–	–	0.3	2.1
IU	2.1	7.5	2.0	5.0	0.96	1.5

8. Kempfield/Trunkey Creek (near Blayney, NSW, 50 km², Kempfield - GCR Earning 51% from Metallic Resources Pty Ltd, gold and base metals, Trunkey Creek - GCR 100%, gold)
Review and compilation of historical data for Kempfield is ongoing.

9. Eaglehawk (near Mudgee, NSW, 4 km², GCR 100%, gold)
Geological mapping, aided by aerial photography, is planned.

10. Warraderry (near Grenfell, NSW, 55 km², GCR 100%, gold)
Historical data for Warraderry Extension (EL 5210) is under review.

11. Maynard Hills (near Sandstone, WA, 200 km², GCR earning 70% from Barranco Resources NL, gold)
Soil sampling has revealed a weak gold anomaly along the length of the greenstone belt. Elevated geochemistry occurs in the vicinity of cross cutting faults and maximum values are associated with small banded iron formations.

12. Fairview/Mt Lewis (near Cobar, NSW, 360 km², Mt Lewis - GCR 100%, gold, base metals, Fairview - GCR 90% with Metallic Resources holding a 10% free carried interest to construction, gold, base metals)
Results from the aeromagnetic survey conducted last quarter has identified a significant geophysical anomaly on the Mt Lewis tenement, in the area of the old Restdown Gold Mine and the Mt Lewis sulphide zone. The anomaly covers an area of approximately 20km². To date three lines of soil sampling, each some four kilometres in length, have been completed to test the anomaly and results are awaited.

13. Jingellic (near Holbrook, NSW, 380 km², GCR 100%, gold, base metals)
Results from reconnaissance rock chip sampling are awaited.

14. Tumut (NSW, 230 km², GCR 100%, gold, base metals)
Initial review of previous exploration reports reveals that no systematic exploration for gold has taken place over the project. Three rock chip samples taken by the Company at the historic Bogong mine returned over 5% copper, with one sample returning 10.7% copper and 1.69 g/t gold.

15. Albury (NSW, 170 km², GCR 100%, gold, base metals)
Reconnaissance rock chip samples, grading up to 1.43 g/t gold at the old Bungowanna mine, were collected. Previous explorers reported up to 16m at 1.28 g/t gold from reverse circulation drilling and up to 30 g/t gold from rock chip sampling in the vicinity of the old Soudan mine.

16. Fifield (near Parkes, NSW, 80 km², GCR 100%, gold, copper)
Historical data is under review.

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.

CORPORATE PROFILE

GCR DIRECTORS

Lindsay MacAlister, Chairman

- Deputy Chairman, Orogen Minerals Limited
- Director, Delta Gold NL
- Over 20 years senior executive experience in International minerals industry including:
 - Supervising geologist, MIM
 - MD, Kennecott Asia Pacific
 - Director, Corporate Exploration & Development, Kennecott Copper, New York
 - Vice President, General Electric Minerals Inc.
 - Chairman/CEO, Australian General Electric, 1978-1986
 - MD, Austrade, 1986-1991
 - MD/Executive Chairman, Pancontinental Mining, 1991-1995
 - Member Business Council of Australia and Minerals Council of Australia Executive
 - Chairman, NSW Minerals Council
 - Governor, AMIRA

David Timms, Managing Director

- Exploration Manager with over 30 years experience
- Set up and managed exploration arm of Lac Minerals from 1967 to 1972
- Manager, Amoco Minerals Australia, 1972-1985
- Exploration Manager, Cyprus Gold Australia, 1985-1990

- Has managed teams which discovered over 30 mineable deposits including:
 - Red Dome** (porphyry copper-gold)
 - Gidgee** (Archaean gold)
 - Selwyn-Starra** (Ironstone copper-gold)
 - Mt McClure** (Archaean gold)
 - Didipio, Philippines** (porphyry copper-gold)
 - Golden Cross, NZ** (epithermal gold)

John H Hill, Director

- Over 30 years experience in exploration and mining economics
- Regional Manager for INCO (Aust.) from 1972 to 1975
- Managing Director for Preussag (Australia) Pty. Ltd. from 1975 to 1987
- Involved in a range of economic evaluations, prefeasibility and feasibility studies
- Presently an Associate with Australian Mining Consultants Pty Ltd, Melbourne
- Involved in mining economics courses and exploration projects in Russia

Daven Timms, Executive Director

- Graduate in science (physics) and law (honours)
- Solicitor with nine years experience
- Founded Golden Cross Operations with David Timms in 1990

GCR EXPLORATION TEAM

Chris Torrey, Exploration Manager, Eastern Australia

- 18 years exploration experience in a variety of countries
- Specific experience includes exploration for:
 - **Cu-Au porphyries** (Indonesia, Central America, Jamaica, Australia)
 - **Porphyry-related skarns** (Queensland, Tasmania)
 - **Epithermal Au-Ag** (NZ, Eastern Australia, Central America, Chile)
 - **Shear-hosted Au** (Venezuela, California)
- Responsible for design and management of programmes for Cyprus Gold in Australia (1986-1988, 1990), New Zealand (1988-1990), Central America (1990-1995) and Indonesia (1996)
- Responsible for teams which discovered or augmented resources in Panama, Venezuela, New Zealand and Queensland

Nick Hazard, Exploration Manager, Western Australia

- 13 years experience
- 1984-1989 **epithermal** gold exploration in New Zealand, Amoco Minerals, Cyprus Gold. Resource definition, underground development and exploration. Regional geophysical and geological exploration.
- 1990-1993 **Archaean** gold mining and exploration in Western Australia, Gidgee Gold Mine. Experience included grade control, reserve reconciliations, geological interpretations, resource calculations, successful exploration programmes and supervisory roles.

- 1994-1996 **Archaean** and **Proterozoic** gold exploration in Western Australia, Arimco Mining. Management and generation of regional gold projects.

Gordon McLean, Senior Geologist

- 11 years experience
- 1987-1988 - Geological consultant. Management of vein-hosted gold exploration programmes for clients.
- 1989-1990 (Cyprus Gold NZ). Exploration geologist, Waihi **epithermal gold** deposit. Resource calculations.
- 1990-1994 (Cyprus Gold Australia). Project exploration geologist conducting regional exploration for gold and base metal deposits.
- 1994-1996 (MPI/Stawell Gold Mines). Exploration geologist, Victoria. Project generation and regional gold exploration - **mesothermal gold** veins.

Robyn Hee, Senior Geologist

- 12 years experience
- 1985-1992 (Cyprus/Arimco). Field based exploration programmes in Australia and Solomon Islands. Specific experience in exploration for:
 - **Copper-gold porphyries** (NSW, Qld)
 - **Epithermal deposits** (Solomons, Australia)
 - **Copper-gold ironstone replacements** (Mt Selwyn, Qld)
- 1992-1997 (CRAE). Extensive experience in computerised information systems specifically designed for minerals exploration.

GCR AT A GLANCE

Directors

Lindsay MacAlister	<i>Chairman</i>
David Timms	<i>Managing Director</i>
John H Hill	<i>Director</i>
Daven Timms	<i>Executive Director & Company Secretary</i>

Registered and Principal Office

22 Edgeworth David Avenue
Hornsby NSW 2077
Australia

Ph: (02) 9482 8833
Fax: (02) 9482 8488
Email: gcr@dot.net.au

Number of Shareholders

At 30 June 1997 GCR had 1,035 shareholders.

Major Shareholders

The share register records the following as major shareholders (more than 1%) at 30 June 1997:

1. David Timms	30.93%
2. Metallic Resources Pty Ltd	10.09%
3. New Zealand Petroleum Company	2.05%
4. National Nominees Limited	1.77%
5. ANZ Nominees Limited	1.55%
6. Perrodon Nominees Pty Ltd	1.18%

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

Issued Capital

At 30 June 1997 the issued capital was 38,668,136 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 1.1 million employee options exercisable at 30 cents by 20.6.2002.

ASX Listing Code

The Company's ASX listing code is GCR.

Exploration Expenditure

June Quarter gross	\$910,000
Less exploration expenditure recovered	<u>-\$280,000</u>
June quarter net	<u>\$630,000</u>
September Quarter net, estimate	\$300,000-
	\$400,000

Web Site

GCR now has a web site on the internet, featuring the latest results and developments together with lots of maps and diagrams on our projects:

www.reflections.com.au/GoldenCross

General Enquiries

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

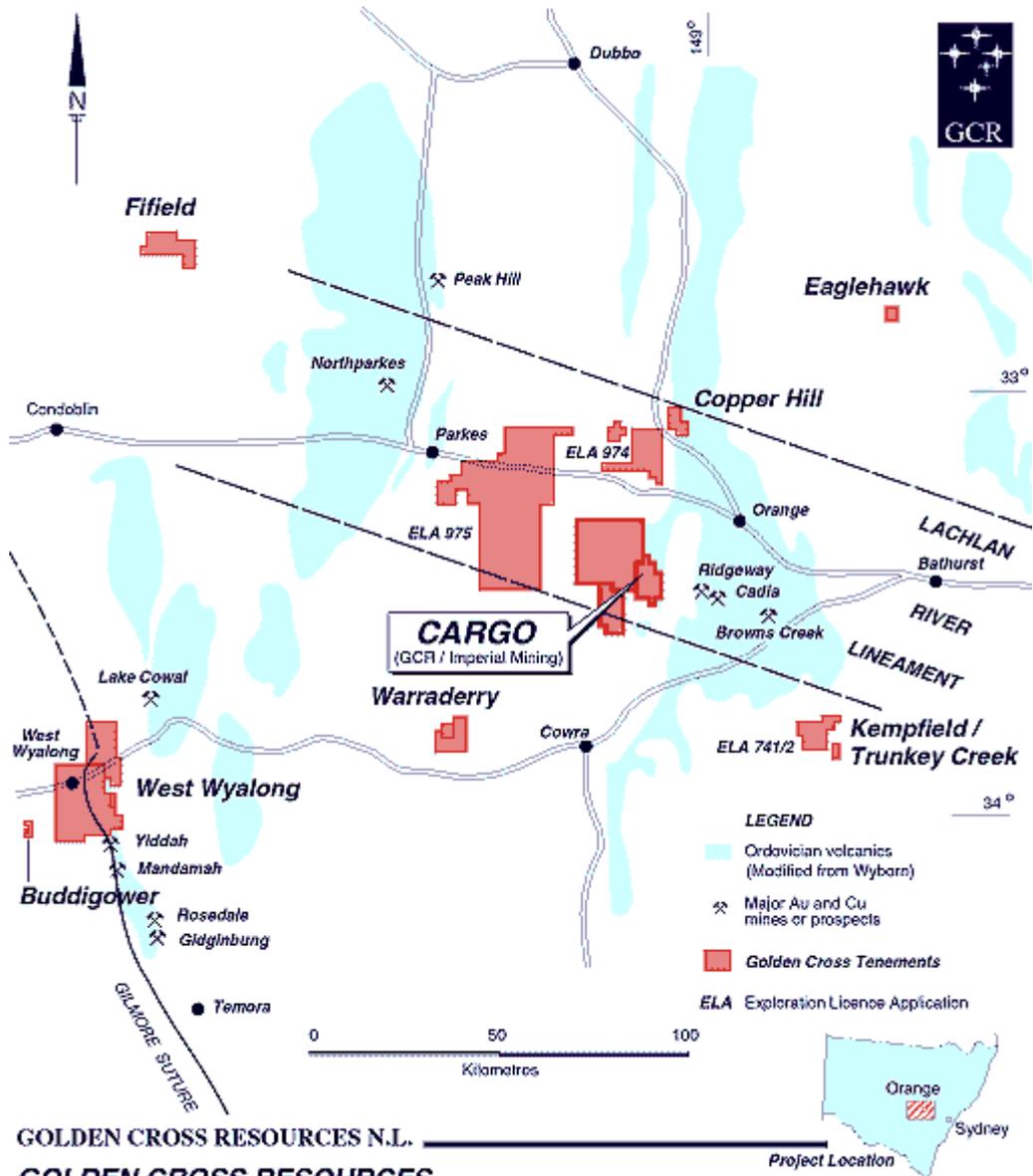
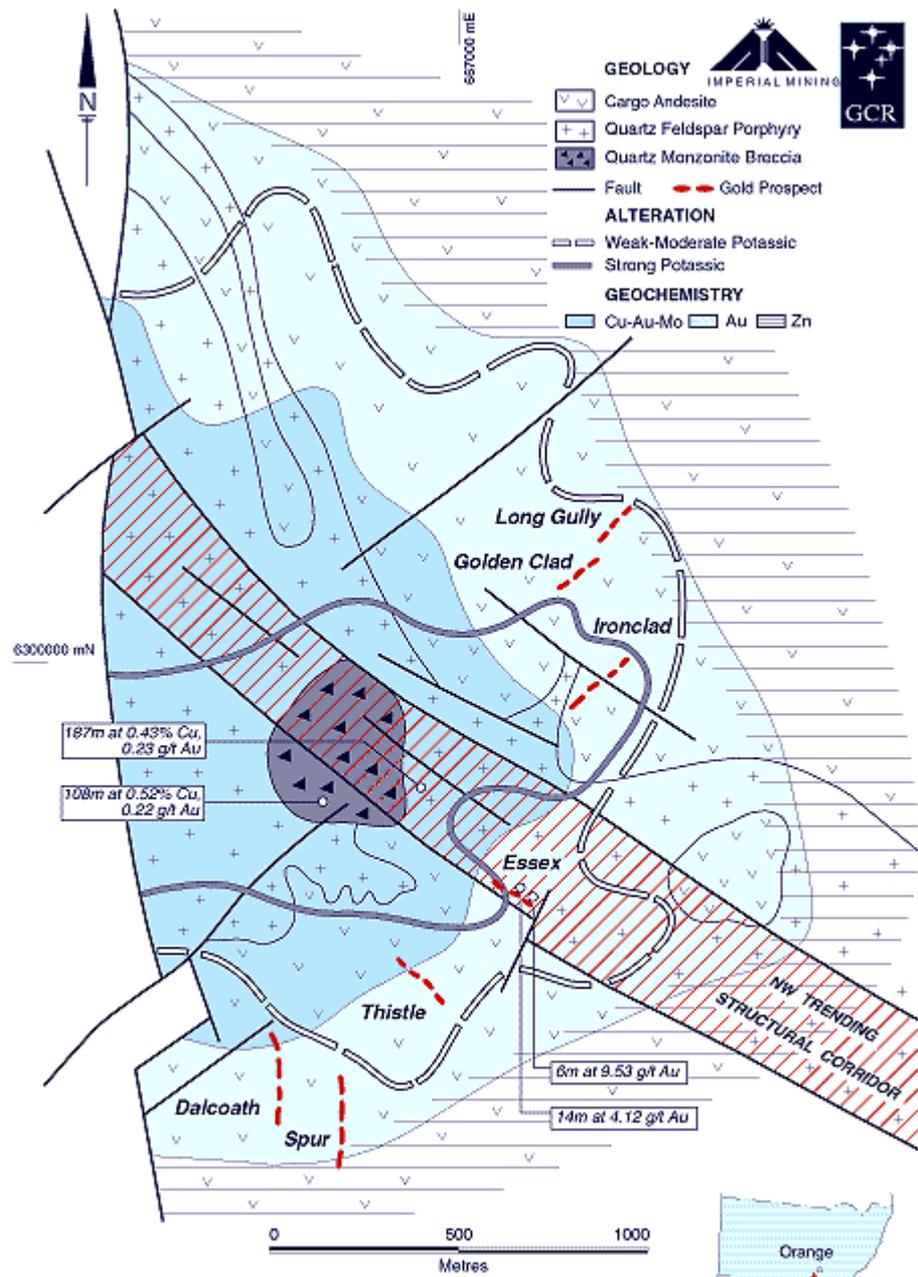
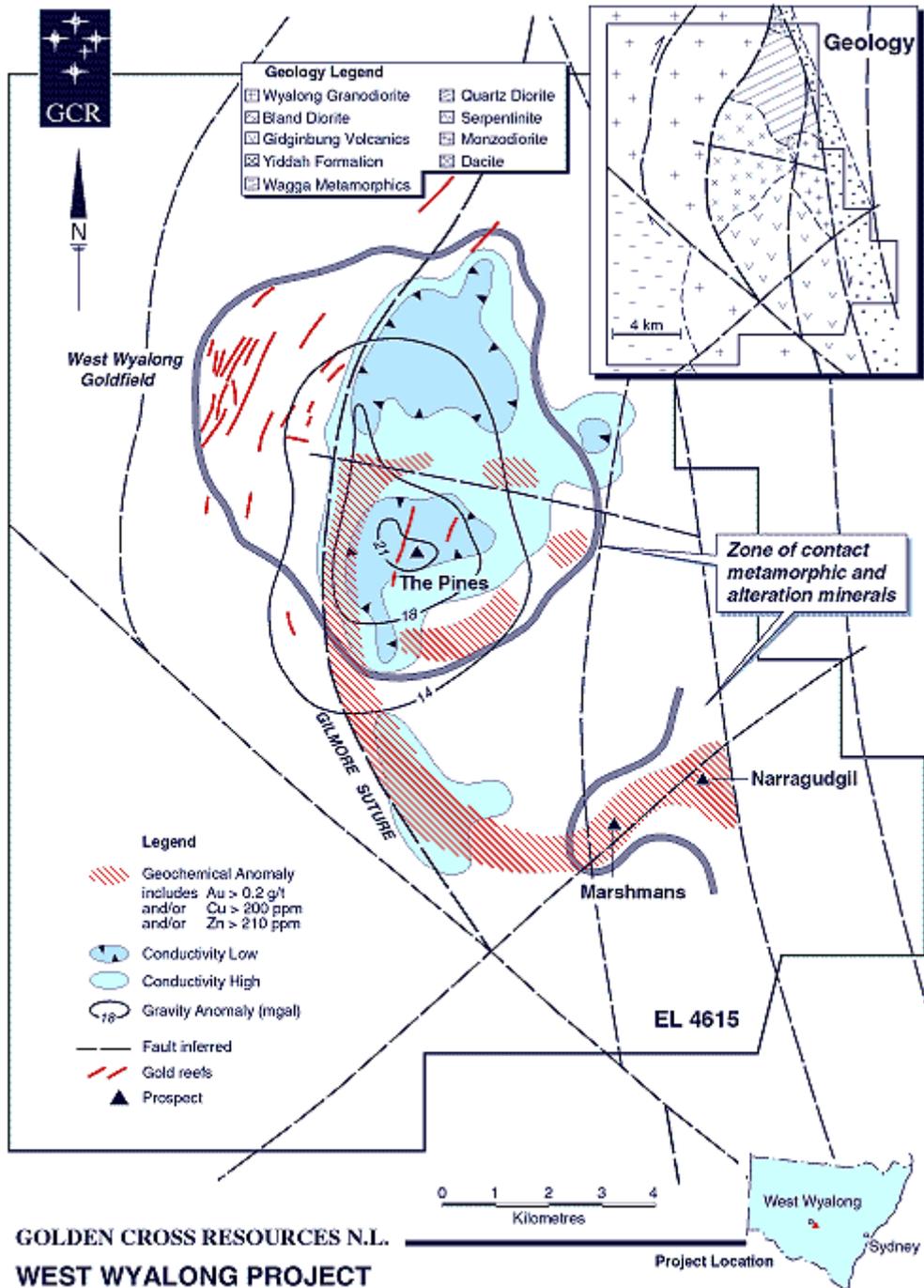


FIGURE 1



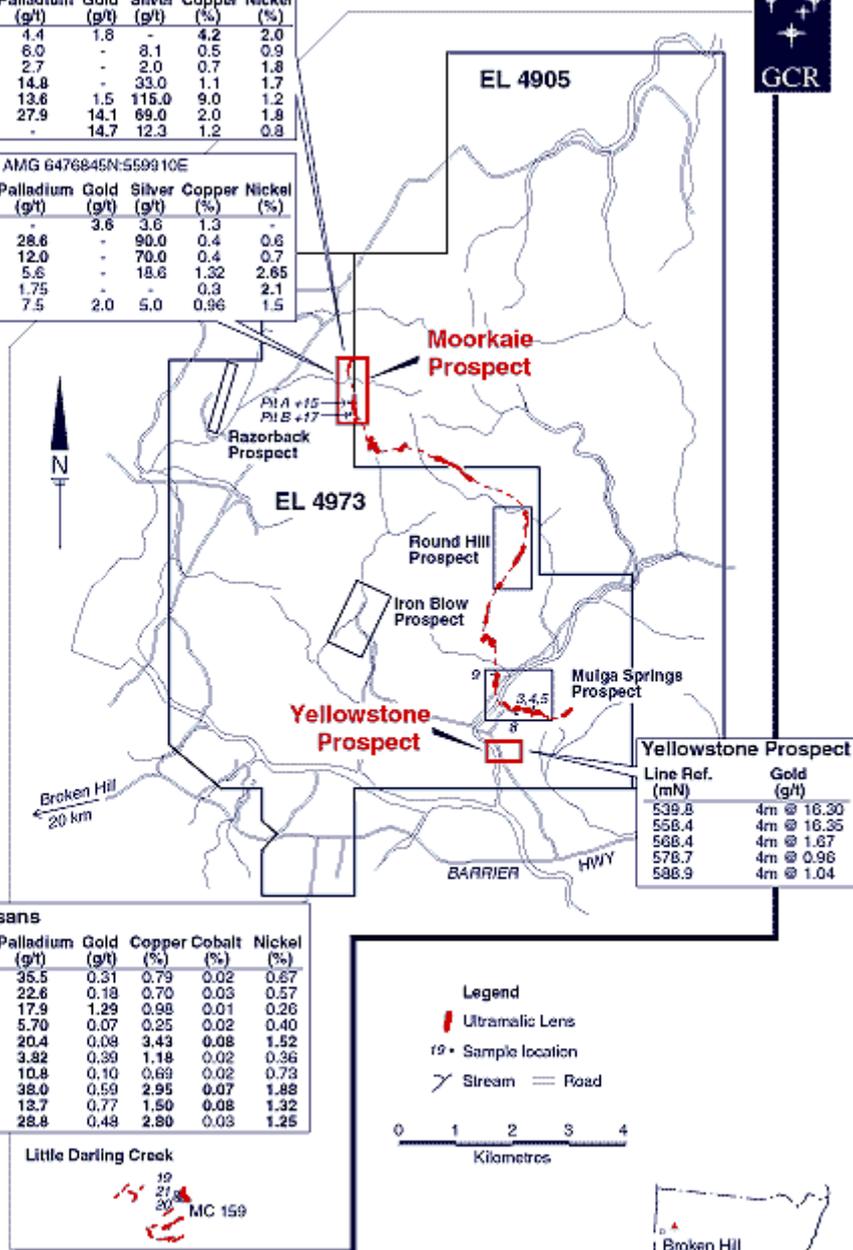
GOLDEN CROSS RESOURCES N.L.
CARGO PROJECT
GEOLOGY, ALTERATION AND GEOCHEMISTRY

FIGURE 2



Moorkaie Pit A AMG 6477175N-559825E						
Sample No.	Platinum (g/t)	Palladium (g/t)	Gold (g/t)	Silver (g/t)	Copper (%)	Nickel (%)
GU	0.2	4.4	1.8	-	4.2	2.0
GV	27.8	6.0	-	8.1	0.5	0.9
GY	0.3	2.7	-	2.0	0.7	1.8
GZ	4.4	14.8	-	33.0	1.1	1.7
EU	1.4	13.6	1.5	115.0	9.0	1.2
FK	6.8	27.9	14.1	69.0	2.0	1.8
FL	0.45	-	14.7	12.3	1.2	0.8

Moorkaie Pit B AMG 6476845N-559910E						
Sample No.	Platinum (g/t)	Palladium (g/t)	Gold (g/t)	Silver (g/t)	Copper (%)	Nickel (%)
EX	-	-	3.6	3.6	1.3	-
HA	4.4	28.6	-	90.0	0.4	0.6
HB	6.2	12.0	-	70.0	0.4	0.7
IS	14.6	5.6	-	18.6	1.32	2.65
IT	0.5	1.75	-	-	0.3	2.1
IU	2.1	7.5	2.0	5.0	0.96	1.5



Ultramafic Gossans						
Line No.	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	8.98	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



GOLDEN CROSS RESOURCES N.L.

**BROKEN HILL PROJECT
GOSSAN SAMPLING**

Project Location

FIGURE 4