

GOLDEN CROSS RESOURCES N.L.

ACN 063 075 178

QUARTERLY REPORT TO 31 MARCH 1999

28 April 1999

HIGHLIGHTS

- Scoping study for a silver heap leach operation at *Kempfield* produced a positive result. The potential cash flow would help to fund the company's exploration activities. A prefeasibility study is underway, together with a fourth drilling programme to obtain large diameter core, for further metallurgical testing, and infill holes at the McCarron Zone.
- Results from the third drilling programme at *Kempfield* silver-barite project confirmed grades and tonnage at the BJ Zone and extended the McCarron Zone from 400m in strike length to 800m in strike length.
- At *Cargo* the fourth hole intersected a high grade vein, assaying 114 g/t gold over 1m from 27m, believed to be an extension of the Dalcoath/Spur gold zone where previous drilling gave an indicated resource of 147,000 oz at 1.24 g/t. Further assays awaited.
- At *Narragudgil* copper-gold area, West Wyalong, Newcrest reported the discovery of porphyry-style mineralisation at Yiddah North prospect. A 400m follow-up diamond core hole has just been drilled beneath the intersection (assays awaited).
- At *Copper Hill* copper-gold project Newcrest has just completed a 570m diamond drill hole at Vale Head. The core will be logged and sampled in detail.
- *Drilling scheduled on four GCR prospects* during the June 1999 Quarter – Kempfield, Narragudgil (West Wyalong), Ken Glasson prospect (West Wyalong) and Copper Hill.
- GCR will send *quarterlies by email* from June 1999 – please use the form, back page.

EXPLORATION RESULTS

1. Kempfield (near Blayney, NSW, 60 sq km, GCR 100% subject to 5% net profits interest, silver, barite, gold and base metals, Trunkey Creek - GCR 100%, gold)

GCR announced to ASX on 25 March 1999 that positive drill results were recorded from its third drilling programme at the 100%-owned Kempfield silver-barite project near Blayney, NSW. Kempfield hosts significant silver and barite resources along a 3 km strike length in Silurian Volcanics (Figure 3).

The 1,219m drill programme consisted of 18 reverse circulation percussion holes, numbered GKF-43 to GKF-60 inclusive (Figure 3). The programme had two aims; the first 10 holes, GKF-43 to GKF-52, were aimed at locating new silver-barite zones or extensions (Figure 3) and holes GKF-53 to GKF-60 were aimed at infilling or extending oxide and supergene mineralisation in the BJ Zone (Figure 4). All holes were at a declination of 55 degrees and an azimuth of 110 degrees. Best results are set out in the table below.

BJ Zone - Results and Commencement of Pre-Feasibility Study on Oxide Silver

The drilling confirmed previous grades and established continuity of silver mineralisation over a strike length of 250m (Figure 4). The mineralised zone is approximately 100m wide and is open to the south. The highlight of the drilling was a very high grade intercept in hole GKF-55: 22m at 326 g/t silver from 8m down hole, including 2m at 1,120 g/t silver from 22m down hole. The gold equivalents of these intersections are 22m at 5.8 g/t gold and 2m at 20 g/t gold respectively (at 1 g/t gold = 56 g/t silver).

The latest results indicate flat-lying high grade oxide and supergene sulphide mineralisation beneath thin layers of gold-bearing Tertiary gravels and leached barite horizons. Previous metallurgical testwork indicated that the oxide mineralisation is amenable to heap leach extraction of silver, with up to 73.7% recovery.

Kempfield Silver Project, Third Drilling Programme, March 1999 (Announced to ASX 25 March 1999)

Drill Hole	East (m)	North (m)	From (m)	Intercept (m)	Gold (g/t)	Lead (%)	Zinc (%)	Silver (g/t)	Zone
GKF-43	1620	3345	4	52	0.37	NS	NS	NS	Causeway Zone (new zone)
		including	12	44	0.41	NS	NS	NS	
		including	12	2	1.28	NS	NS	NS	
GKF-45	1800	3251	30	26	0.20	NS	NS	44	Extension to McCarron Zone
		including	32	8	0.39	NS	NS	71	
GKF-46	1765	3254	28	36	0.02	0.58	0.87	65	Extension to McCarron Zone
		including	40	6	0.06	0.57	0.66	242	
GKF-47	1605	2550	108	36	0.10	1.06	1.35	26	McCarron Zone
		including	122	16	0.18	2.15	2.39	52	
		including	124	2	0.29	4.28	2.33	119	
		including	132	4	0.22	3.34	3.95	70	
GKF-49	2038	4298	30	6	0.02	0.75	0.13	101	Quarry Zone
GKF-50	2012	4173	102	4	NS	0.82	0.84	82	Extension to Quarry Zone
		including	104	2	NS	0.67	0.72	102	
GKF-52	1860	4384	32	6	NS	NS	NS	111	Cooper Zone (new zone)
		including	36	2	NS	NS	NS	148	
GKF-53	1959	3159	18	60	NA	NS	NS	94	BJ Zone
		including	18	20	NA	NS	NS	180	
		including	18	4	NA	NS	NS	370	
		including	32	4	NA	NS	NS	196	
		including	64	4	NA	NS	NS	134	
GKF-54	2033	3056	34	16	NA	NS	NS	79	Extension to BJ Zone
		including	34	4	NA	NS	NS	93	
GKF-55	2045	3129	8	22	NA	NS	NS	326	BJ Zone
		including	12	16	NA	NS	NS	399	
		including	22	6	NA	NS	NS	635	
		including	22	2	NA	NS	NS	1120	
GKF-56	2017	3134	16	14	NA	NS	NS	109	BJ Zone
		including	16	6	NA	NS	NS	129	
		including	26	4	NA	NS	NS	126	
GKF-57	2024	3202	0	40	NA	NS	NS	61	BJ Zone
		including	24	16	NA	NS	NS	100	
		including	24	4	NA	NS	NS	144	
		including	34	4	NA	NS	NS	144	
GKF-59	1960	3237	18	40	NA	NS	NS	82	BJ Zone
		including	38	20	NA	NS	NS	116	
		including	38	10	NA	NS	NS	164	
GKF-60	1983	3272	28	4	NA	NS	NS	101	Extension to BJ Zone
		Including	28	2	NA	NS	NS	118	

Note: NS = Not Significant, NA = Not Assayed

McCarron Zone Results

Drilling extended the McCarron silver-barite zone from 400m in strike length to 800m in strike length, with hole GKF-46 intersecting 6m of high grade silver, assaying 242 g/t, from 40m down hole (Figure 3). The McCarron Zone lies 800m Southwest of the BJ Zone.

New "Causeway" Gold Zone

Drill hole GKF-43 tested the southern end of a recently discovered 200m-long gold geochemical soil anomaly lying 300m west of the BJ Zone. The hole intersected 52m at 0.37 g/t gold from 4m down hole. Although low grade, the 52m intersection warrants follow-up drilling. The main body of the anomaly lies 100m to the north.

Prefeasibility Study and Fourth Drilling Programme

A pre-feasibility study commenced on a small heap leach operation with the aim of providing a cash flow. A fourth RC drilling programme, consisting of 8 holes for 400m is underway on the BJ and McCarron

Zones. In addition, 120m of diamond core drilling is underway, to produce large diameter core for metallurgical testwork.

2. Cargo (NSW, 920 sq km, GCR (manager) 50%, Imperial Mining NL 50%, gold and copper)
(Cargo EL 5238, 60 sq km – Newcrest Operations Limited (manager) may spend \$12.5M to earn 70%)

Newcrest may sole fund \$12.5 million on exploration over six years to earn a 70% interest in tenements within the boundary of EL 5238 (50/50 GCR/Imperial Mining). Newcrest has completed 3,700m of diamond drilling.

The location of the five diamond holes drilled by Newcrest at **Cargo prospect** is shown in Figure 1. Best result to date is **1m at 114 g/t gold**, from 27m, in hole NCG004 near Spur-Dalcoath prospect. Assays for the fourth hole, from 200m down hole, together with the fifth hole, are awaited. Other holes intersected geochemically anomalous gold, copper and molybdenum mineralisation, which substantiates the porphyry target model.

Cargo prospect is one of a cluster of regional porphyry targets, most of which have not been drill tested. Follow-up work is planned for the Canomodine, Lockwood and Burley Jacky porphyry targets.

3. West Wyalong (NSW, 290 sq km, GCR 90%, subject to 2.5% net smelter return, gold and copper)
(West Wyalong North - 120 sq km, GCR 100%, gold)(Buddigower - 3 sq km, GCR 100%, gold)
(Narragudgil area, 75 sq km, Newcrest (manager) may spend \$4M to earn 70%)

Narragudgil

Newcrest may spend \$4 million within four years to earn a 70% interest in the Narragudgil copper-gold area, consisting of approximately 75 sq km in the southeast corner of the West Wyalong property (Figure 2).

Newcrest completed 13 aircore holes, some with diamond core tails, during the quarter, to take total metres drilled to 4,090m in 32 holes. The holes tested for porphyry copper-gold mineralisation in the Gidginbung Volcanics at the Narragudgil and Yiddah North prospects, along the Gilmore Suture.

Newcrest reported the discovery of copper-gold porphyry-style mineralisation at Yiddah North prospect (Fig 2):

Drill Hole No.	From (m)	Intercept (m)	Copper (%)	Gold (g/t)
ACDNG32	117	31	0.39	0.22
Incl.	117	13	0.57	0.40

The mineralisation is contained in quartz-magnetite-chalcopyrite veinlets. A 400m diamond core hole ACDNG39 was drilled to follow up on the intersection in hole 32. Assays are awaited. The location and results of other intersections, including 36m at 0.21g/t gold and 0.09% copper at Narragudgil prospect, 3.4 km north of Yiddah North prospect, are shown in Figure 2.

Work Outside Narragudgil JV Area

RAB drilling of the Ken Glasson gold anomaly, 1 km south of the Wyalong Goldfield, intersected 1.5m at 2.26 g/t gold from 17m (Figure 3). A follow-up RC drilling programme is scheduled in April to determine if the intersection represents the top of a gold-mineralised shear zone covered by transported soil. At Buddigower RAB and auger results indicated anomalous gold zones (up to 0.25 g/t) warranting drill testing.

4. Copper Hill (at Molong, NSW, 25 sq km, GCR 27.2%, diluting to 25.5%, Newcrest Mining Limited (manager) 72.8%, gold and copper)

Copper Hill is a porphyry copper-gold project near Molong, 40 km NNW of Newcrest's Cadia/Ridgeway project. Joint venture partner Newcrest just completed a RC pre-collar and diamond drill hole to a depth of approximately 570m at the Vale Head prospect. The core will be logged in detail and assayed at one metre intervals.

5. Pipeline (near Cobar, NSW, 575 sq km, GCR 100%, gold and base metals) (Fairview - GCR 90% with Metallic Resources holding a 10% free carried interest to construction, gold and base metals)

Soil sampling was conducted during the quarter over the Bullseye anomaly. Assays are awaited.

6. Broken Hill (NSW, 145 sq km, GCR 100%, gold, platinum group metals and base metals)

Resampling of old drill core from the Iron Blow prospect did not produce significant results.

7. Wagga Tank (near Cobar, NSW, 400 sq km, GCR 100%, gold and base metals)

A number of multi-element soil geochemical anomalies have been located which require follow-up drilling.

8. Laverton (WA, 75 sq km, GCR 100%, gold)

Placer/Delta may earn a 70% interest by completing a bankable feasibility study within three years.

Field assessment/reporting/evaluation of results was carried out for the following projects during the quarter. No material results.

(9. Eaglehawk (near Mudgee, NSW, 4 sq km, GCR 100%, gold)

(10. Warraderry (near Grenfell, NSW, 3 sq km, GCR 100%, gold)

(11. Southern NSW Licences (NSW, 400 sq km, GCR 100%, gold, base metals)

(12. Fifield (near Parkes, NSW, 80 sq km, GCR 100%, gold, copper and platinum group metals)

(13. Commonwealth (near Wellington, NSW, 60 sq km, GCR 100%, gold)

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 AIG and AusIMM and has more than five years experience in the field of activity in which he is reporting.

GCR AT A GLANCE

DON'T FORGET TO VISIT OUR WEB SITE IN GLORIOUS COLOUR!

Directors

Lindsay MacAlister *Chairman*
David Timms *Managing Director*
Kerry McHugh *Director*
Daven Timms *Executive Director & Company Secretary*

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Number of Shareholders

At 31 March 1999 GCR had 948 shareholders.

Major Shareholders

The share register records the following as major shareholders (greater than 1%) at 31 March 1999:

1. David Timms	24.00%
2. Metallic Resources Pty Ltd	8.12%
3. Aurcay Holdings Inc.	8.02%
4. First Canadian Gold Corp. Inc.	4.01%
5. Cairnglen Investments Pty Ltd	3.26%
6. Invia Custodian Pty Limited	1.63%
7. TAG Developments Pty Limited	1.37%
8. Hysetee Pty Ltd	1.30%
9. Rio Tinto Exploration Pty Ltd	1.20%
10. Caldfile Pty Limited	1.20%
11. ANZ Nominees Limited	1.06%

Quarterlies by Email

To receive quarterlies by email please write down your details and fax to (02) 9482 8488

Name

Company

Email address

Shareholder Enquiries

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

Registries Limited
Level 2, 28 Margaret Street
Sydney NSW 2000
Ph: (02) 9279 0677

Issued Capital

At 31 March 1999 GCR's issued capital was 49,851,470 ordinary shares, 6 million options exercisable at 25 cents during 1999, 737,000 employee options exercisable at 30 cents by 20.6.2002, 583,000 employee options exercisable at 10 cents by 19.12.2003 and 3.6 million Directors' options exercisable at 20 cents by 31.10.2001.

ASX Listing Code

The Company's ASX listing code is GCR.

Cash Flow

<i>March Quarter (Historical)</i>	\$
Opening Balance	1,540,000
Exploration expenditure	-300,000
Interest received, exploration expenditure recovered	40,000
Closing Balance at 31 March 1999	<u>1,280,000</u>
<i>June 1999 Quarter (Forecast)</i>	
Estimated exploration expenditure	-260,000

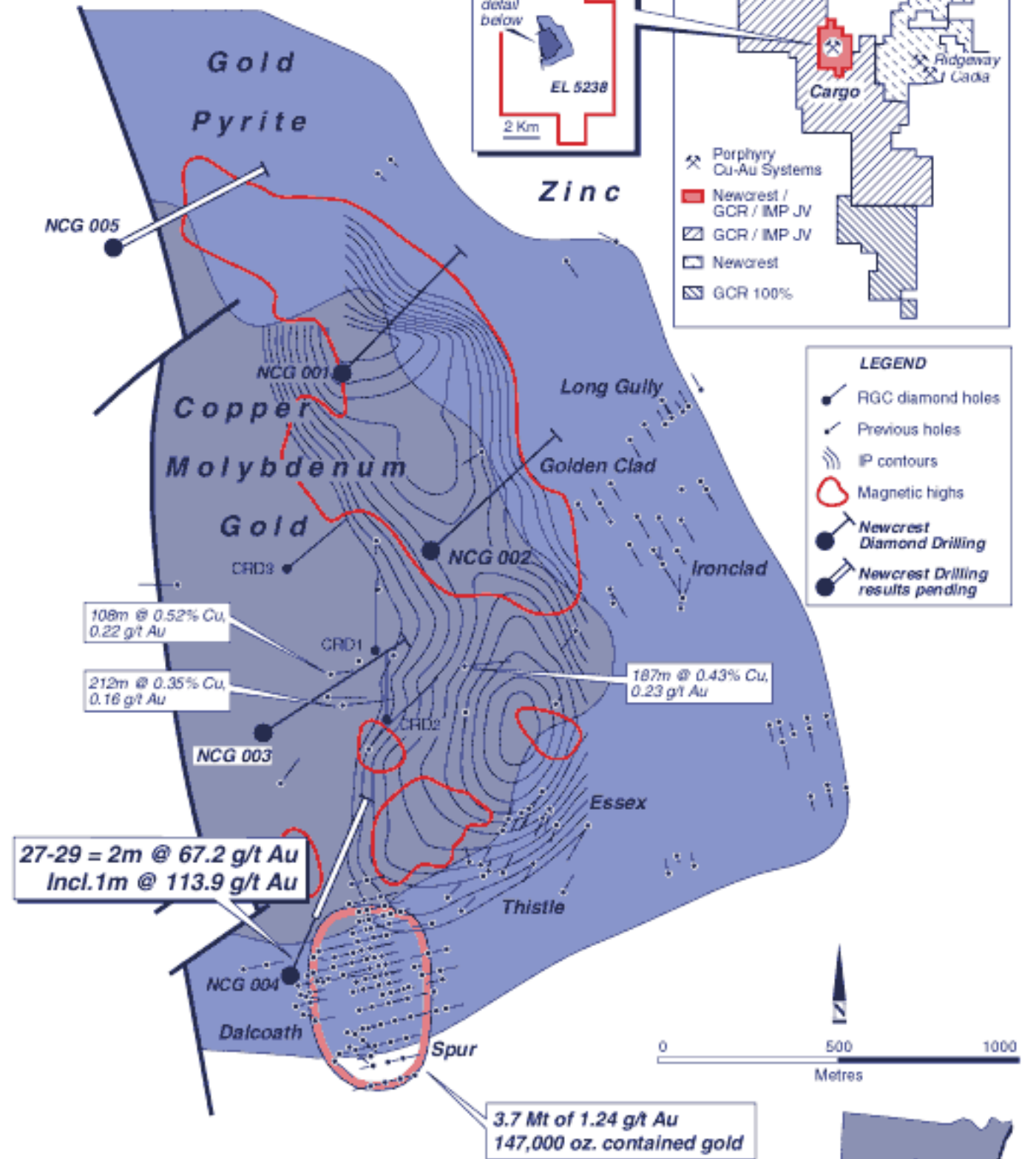
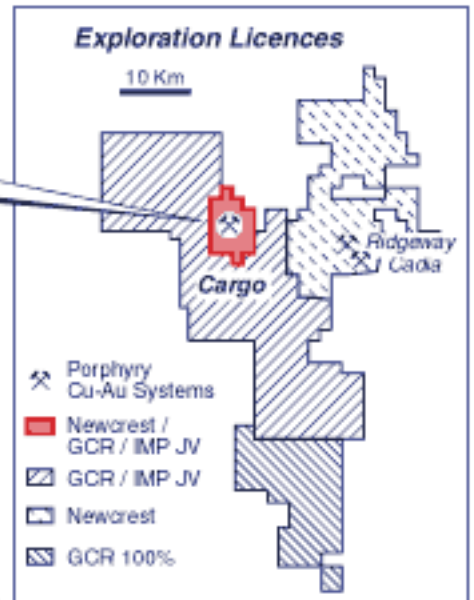
Web Site

Please visit GCR's web site featuring all the latest information and lots of coloured maps and diagrams which you are free to copy:

www.reflections.com.au/goldencross

General Enquiries

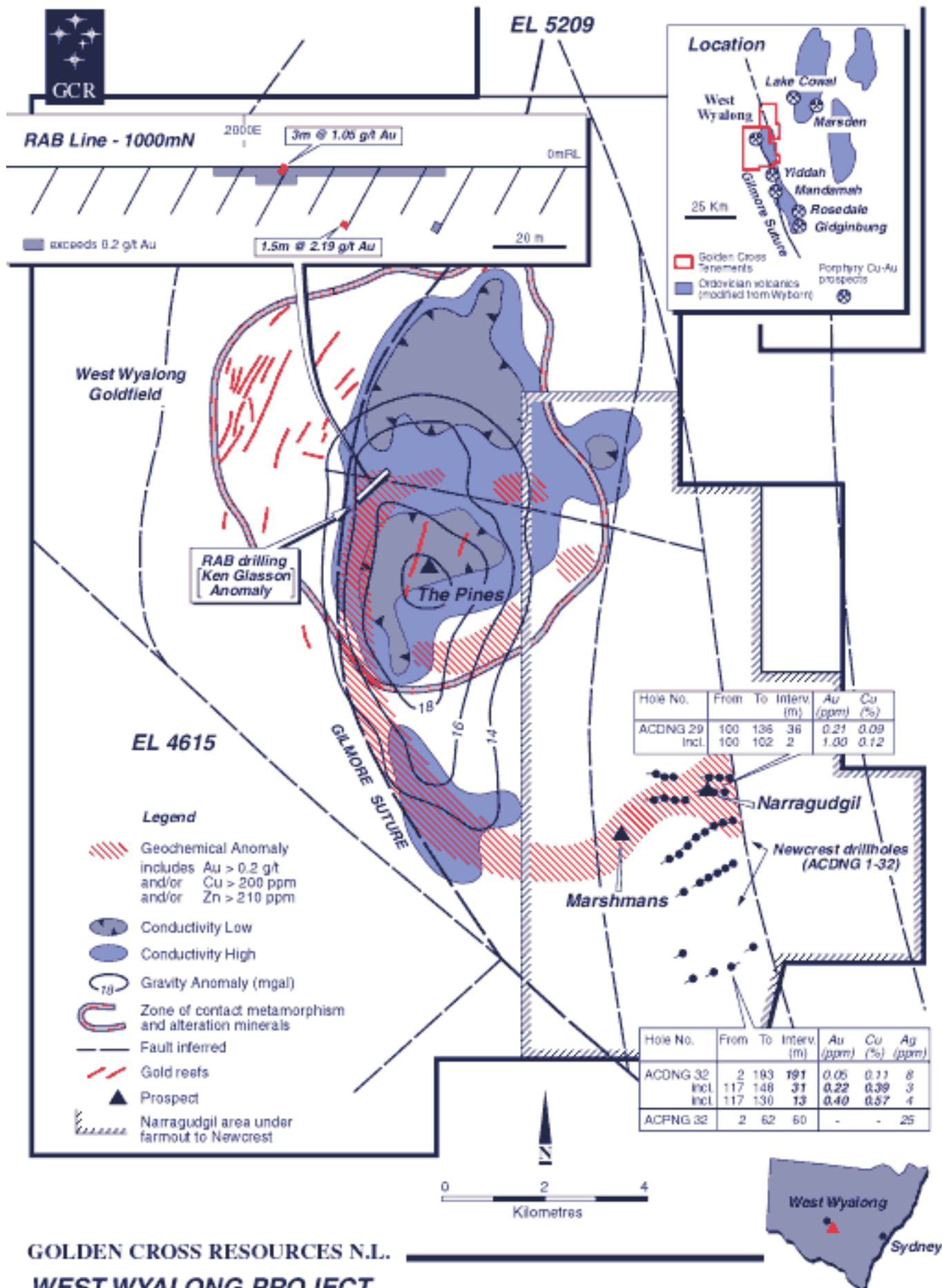
Contact David Timms or Daven Timms at the principal office: ph. (02) 9482 8833



GOLDEN CROSS RESOURCES N.L. / IMPERIAL MINING JV

CARGO PROJECT
IP Targets and Proposed Drilling

FIGURE 1



GOLDEN CROSS RESOURCES N.L.
WEST WYALONG PROJECT
Interpretive Geology, Geochemistry, Geophysics

FIGURE 2