

GOLDEN CROSS RESOURCES N.L.

ACN 063 075 178

QUARTERLY REPORT TO 30 SEPTEMBER 1999

29 October 1999

HIGHLIGHTS

- At **Laverton**, GCR reported on 30 September 1999 that the first RAB drilling programme by Placer/Delta intersected up to 12m at 6.04 g/t gold from 63m depth in hole MMR027. The second RAB drilling programme intersected up to 2m at 4.40 g/t gold from 70m, 10m at 1.81 g/t gold from 92m and 16m at 1.39 g/t gold from 28m. The anomalous gold zone is in excess of 400m along strike. The third RAB programme is scheduled to commence this week and the first RC drilling programme next week.
- At **Kempfield**, fifth programme of RC drilling is underway at the McCarron Zone, aimed at intersecting high-grade zinc, lead and silver mineralisation, in the vicinity of previous intersection of 2m at 178 g/t silver, 4.57% lead, 10.40% zinc and 0.5 g/t gold from 44m.
- At **Blue Mountain**, Pasminco is scheduled to commence RC drilling next week to investigate RAB drilling geochemical anomalies. The RC programme will consist of 6 holes for 1,000m. GCR is carrying out the work under contract to Pasminco.
- **GCR's Annual Report** was released on 19 October 1999 and will soon be available on our web site at www.reflections.com.au/goldencross. The Annual Report contains a Review of Exploration as at the end of September 1999. Please contact us by email, phone, fax or mail (see back page) if you would like to receive a copy of the Annual Report.

EXPLORATION RESULTS

- 1. Kempfield** (near Blayney, NSW, 75 sq km, GCR 100% subject to 5% net profits interest, silver, barite, gold and base metals)

A fifth drilling programme is presently underway aimed at following up positive results recorded from the fourth drilling programme, reported in the June 1999 Quarterly Report. The fifth programme consists of approximately 4 reverse circulation (RC) holes for 700m targeting high-grade zinc, lead and silver mineralisation.

- 2. 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.

Newcrest plans to recommence RC drilling the Yiddah North porphyry copper-gold prospect during the summer months, once crops are harvested.

- 3. Laverton** (WA, 75 sq km, GCR 100%, gold)

On 30 September GCR announced that the Placer (Granny Smith) Pty Ltd/Delta Gold NL Granny Smith Joint Venture had reported RAB drill results of up to 12m at 6.04 g/t gold on GCR's 100%-owned Laverton gold project in WA. The Laverton project comprises the Merolia and Mt Weld licences (Figure 1). The discovery was made on GCR's "Merolia" exploration licence, approximately 30 km northeast of Placer/Delta Gold's Granny Smith Mine. Placer/Delta may earn a 70% interest in GCR's Laverton project by completing a bankable feasibility study by May 2002.

Placer completed 52 RAB drill holes for 3,264m in the first RAB drilling programme to follow up on encouraging vacuum auger drilling results. Three adjacent RAB holes, spaced at 50m intervals, intersected gold mineralisation beneath anomalous vacuum auger drill results:

Laverton Project – Best Results from First RAB Drilling Programme

Drill Hole No.	From (m)	Intercept (m)	Gold (g/t)
MMR027	63	12	6.04
Incl.	63	7	9.52
Incl.	66	2	16.00

Note: All holes were drilled at an angle of 60 degrees and an azimuth of 270 degrees.

A second RAB drilling programme, consisting of 41 infill holes for 2,947m was completed last week in order to test the orientation and extent of the mineralised structures. Results were encouraging. Best results are set out below and shown on Figure 1:

Laverton Project – Best Results from Second RAB Drilling Programme

Drill Hole No.	From (m)	Intercept (m)	Gold (g/t)
MMR053*	57	3	1.97
	70	2	4.40
	81	5	1.11
MMR065	92	10	1.81
MMR085	28	16	1.39

Note: * All holes were drilled at an angle of 60 degrees and an azimuth of 270 degrees with the exception of hole MMR053 which was drilled at an azimuth of 90 degrees in order to scissor hole MMR027.

Mineralisation is related to quartz veining within a strongly foliated shear zone (Figure 1). The lithology is predominantly mafic basalt.

A third RAB drilling programme, consisting of approximately 29 holes for 2,000m, is scheduled to commence this week and the first RC programme, consisting of approximately 6 holes for 650m, is scheduled to commence next week. The third RAB drilling programme will test for mineralised extensions along strike from known gold mineralisation. The RC drilling programme will test the best RAB intercepts to date.

4. Wagga Tank (near Cobar, NSW, 450 sq km, GCR 100%, gold and base metals)

At Blue Mountain Pasmaico is scheduled to commence a RC drilling programme next week to investigate geochemical anomalies from previous RAB drilling by others. The RC programme will consist of approximately 6 holes for 1,000m. GCR is carrying out the work under contract to Pasmaico. Other work underway at Blue Mountain includes geological mapping and mobile metal ion (MMI) soil sampling.

A new multi-element soil geochemical anomaly has been located in the centre of a circular magnetic anomaly to the North of the Wagga Tank prospect, outside the Pasminco JV area. Soil geochemical anomalies are closely related to large magnetic anomalies. This relationship will be further investigated.

5. Copper Hill (at Molong, NSW, 25 sq km, GCR 27.2%, diluting to 26%, Newcrest Mining Limited (manager) 72.8%, copper and gold)

Copper Hill is a porphyry copper-gold project near Molong, 40 km NNW of Newcrest's Cadia/Ridgeway project.

Hole NCH12 was drilled by joint venture partner Newcrest Mining during the quarter to 736m to test for extensions of the good mineralisation in hole NCH8 (149m at 0.52 g/t gold and 0.44% copper from 193m). Best results were:

Copper Hill Project, Copper Hill Prospect Drilling Results

Drill Hole No.	East (AMG)(m)	North (AMG)(m)	From (m)	Intercept (m)	Gold (g/t)	Copper (%)
NCH12	674718	6341495	513	211	0.14	0.27
Incl.			691	8	0.33	0.62

Mineralisation was associated with volcanic clasts in a dacite porphyry.

6. Cargo (NSW, 800 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%)
 (Darbys Falls, 225 sq km, GCR 100%, gold and copper)

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).

Mapping of the Canomodine regional porphyry-copper target indicates that magnetic anomalies are attributable to volcanic rocks.

7. Pipeline (near Cobar, NSW, 480 sq km, GCR 100%, gold and base metals; 60 sq km near Mt Boppy subject to 5% net profits interest (npi) to Nosebi Mining and Management Pty Ltd; 60 sq km south of Mt Boppy subject to 5% npi to Polymetals Pty Ltd; 60 sq km NW of Pipeline prospect subject to 10% free carried interest to Metallic Resources Pty Ltd, gold and base metals)

Modelling of drilling data for the Pipeline prospect revealed continuity of a broad zone of gold and base metals mineralisation over a strike length of at least 350m.

8. Broken Hill (NSW, 135 sq km, GCR 100%, gold, platinum group metals and base metals)

Discussions are underway with a major mining company interested in farming into the Broken Hill project.

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, 290 sq km, GCR 100%, gold, base metals)

(12. Fifield (near Parkes, NSW, 50 sq km, GCR 100%, gold, copper and platinum group metals)

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

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 8 September 1999 GCR had 902 shareholders.

Major Shareholders

The share register records the following as major shareholders (greater than 1%) at 8 September 1999:

1. David Timms	23.86%
2. Metallic Resources Pty Ltd	8.28%
3. Aurcay Holdings Inc.	7.98%
4. First Canadian Gold Corp. Inc.	3.99%
5. Cairnglen Investments Pty Ltd	3.24%
6. Invia Custodian Pty Limited	1.62%
7. TAG Developments Pty Limited	1.36%
8. Hysetee Pty Ltd	1.30%
9. Rio Tinto Exploration Pty Ltd	1.20%
10. Brian K Russell	1.06%

This Quarterly was sent by Email

If you haven't already done so, write down your email address & 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 27 October 1999 GCR's issued capital was 53,007,028 ordinary shares, 6 million options exercisable at 25 cents during 1999, 737,000 employee options exercisable at 30 cents by 22.8.2002, 833,000 employee options exercisable at 10 cents by 12.7.2004 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>September Quarter (Historical)</i>		\$
Opening Balance		1,010,000
Exploration expenditure		-250,000
Interest received		10,000
Proceeds from placement on 18.10.99 of 3.15M shares at 9 cents per share		<u>280,000</u>
Closing Balance at 18 October 1999		<u>1,050,000</u>
<i>December 1999 Quarter (Forecast)</i>		
Estimated exploration expenditure		-240,000

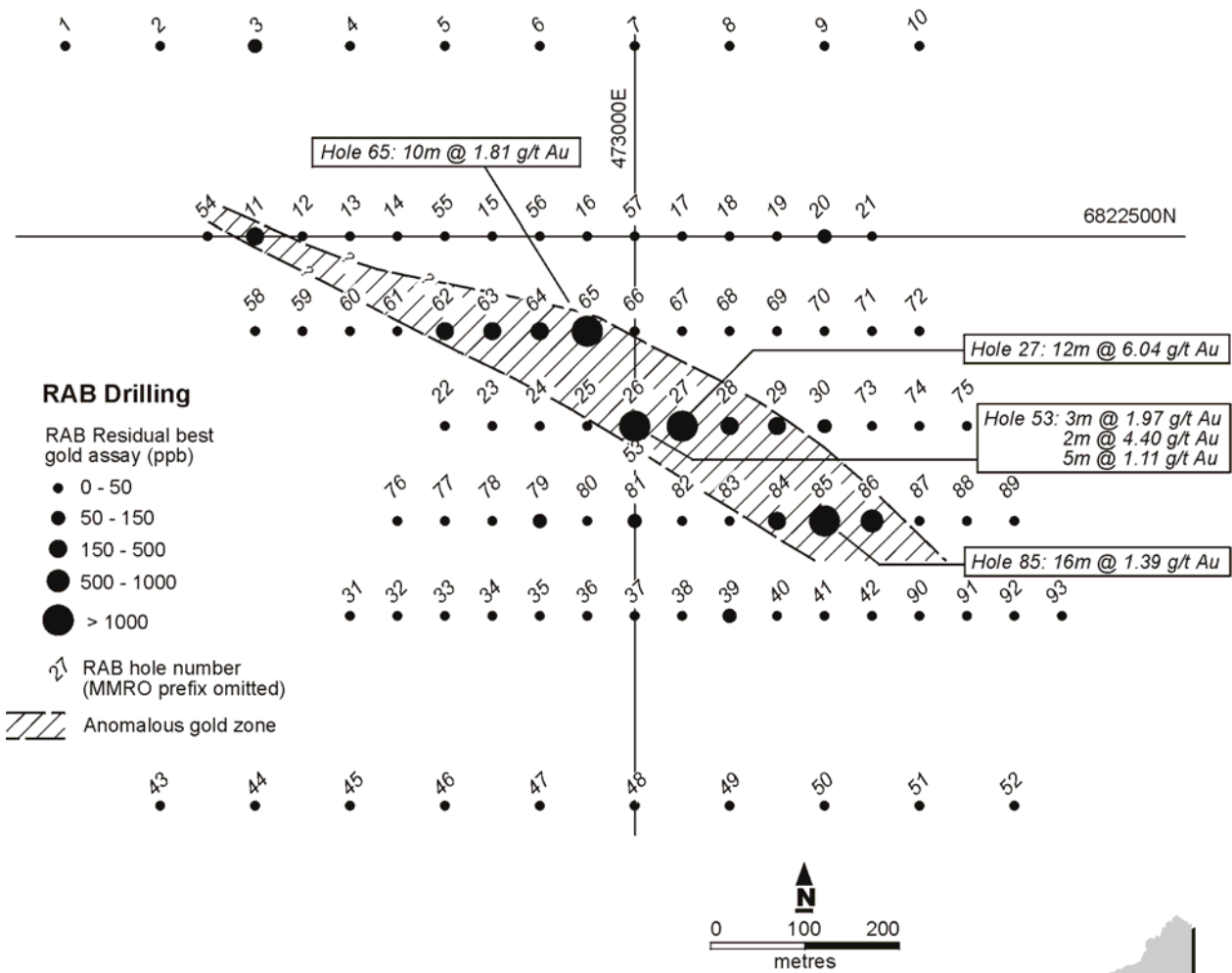
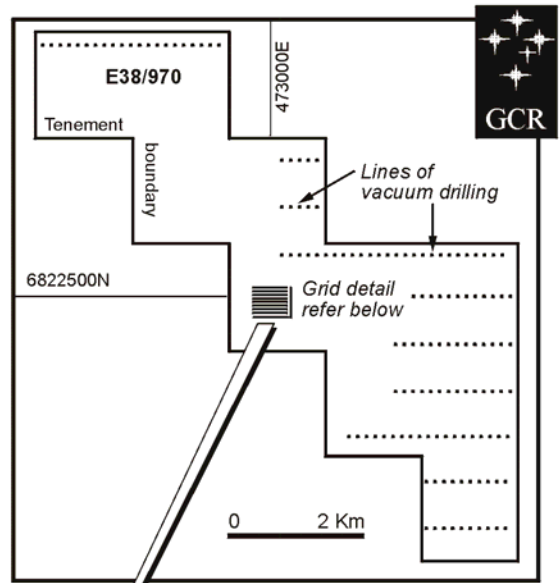
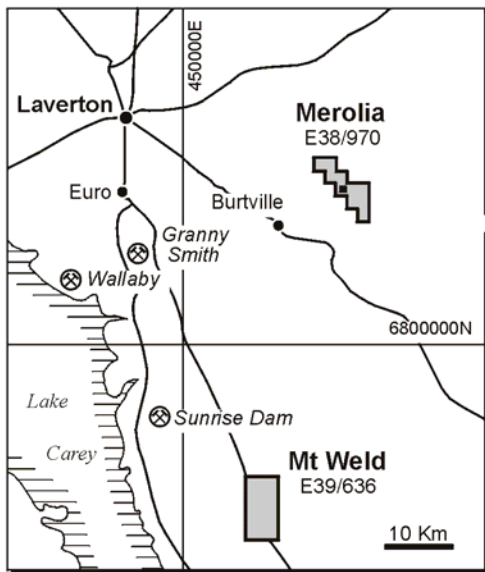
Web Site

Please visit GCR's web site featuring the latest information and colour 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.
LAVERTON PROJECT
 Tenement Location and Geochemistry



FIGURE 1