



# GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

## QUARTERLY REPORT TO 31 DECEMBER 2001



31 January 2002

### HIGHLIGHTS

- Further encouraging drill results at **Adelong Gold Project**. Feasibility study for a gold mining operation is near completion.
- GCR acquired the **Mt Darling Creek platinum property**, adjacent to GCR's Broken Hill property, for 250,000 GCR shares. Rock chip sampling at the new property returned up to 17 g/t platinum and 32 g/t palladium.
- Drilling is planned during the March Quarter at a number of GCR's 100% owned tenements, including Broken Hill/Mt Darling Creek, Wagga Tank and Pipeline/Canbelego.

### EXPLORATION RESULTS

#### 1. **Adelong** (near Tumut, NSW, 280 sq km, GCR purchasing 100%, gold)

GCR has an agreement with Orchid Capital Limited to purchase Orchid's 100%-owned subsidiary Challenger Gold Limited for 6 million GCR shares and \$50,000. On completion of the purchase, expected during the March Quarter, GCR will own all the assets comprising the Adelong Gold Project.

The Adelong Gold Project presently has inferred resources totalling 1.3 Mt at 2.9 g/t gold, containing 121,000 oz of gold. The resources of the Challenger and Challenger Extended zones, lying within a mining lease, are 0.8Mt at 3.0 g/t gold containing 76,800 oz.

The following encouraging diamond and RC drill results from the Challenger Zone were released to ASX on 13 November 2001 and 5 December 2001.

#### **Adelong Gold Project – Best Drill Results during December Quarter**

| <b>Hole No.</b> | <b>Northing (m)</b> | <b>Easting (m)</b> | <b>Dip (degrees)</b> | <b>Azimuth (degrees)</b> | <b>Depth (m)</b> | <b>From (m)</b> | <b>Intercept (m)</b> | <b>Gold (g/t)</b> |
|-----------------|---------------------|--------------------|----------------------|--------------------------|------------------|-----------------|----------------------|-------------------|
| GSD-01          | 6093711             | 596898             | -60                  | 98.1                     | 165.4            | 139             | <b>14</b>            | <b>2.69</b>       |
| Incl.           |                     |                    |                      |                          |                  | 139             | 2                    | <b>10.80</b>      |
| Incl.           |                     |                    |                      |                          |                  | 140             | 1                    | <b>18.30</b>      |
| GRC-22          | 6093685             | 596937             | -76                  | 90                       | 140              | 101             | <b>24</b>            | <b>3.07</b>       |
| Incl.           |                     |                    |                      |                          |                  | 106             | <b>19</b>            | <b>3.67</b>       |
| Incl.           |                     |                    |                      |                          |                  | 122             | 3                    | <b>12.39</b>      |
| Incl.           |                     |                    |                      |                          |                  | 123             | 2                    | <b>16.40</b>      |
| GRC-23          | 6093685             | 596930             | -73                  | 90                       | 150              | 111             | <b>27</b>            | <b>6.52</b>       |
| Incl            |                     |                    |                      |                          |                  | 118             | <b>13</b>            | <b>10.58</b>      |
| Incl            |                     |                    |                      |                          |                  | 118             | <b>7</b>             | <b>14.50</b>      |

The drilling programme upgraded the inferred resource to indicated status and confirmed the size and grade of the resource and the broad width of the steeply-dipping mineralised zone. The updated longitudinal section, released to ASX on 5 December 2001, is available at [www.reflections.com.au/goldencross](http://www.reflections.com.au/goldencross). A revised resource calculation is underway and the feasibility study for a gold mining operation is near completion.

The intersection in hole GRC-22 extended the high grade zone to the south, despite reports that this area had previously been mined. Additional drilling is warranted to further explore the zone to the south.

## 2. Broken Hill (NSW, 420 sq km, GCR 100%, platinum group metals, gold and base metals)

On 21 January 2002 GCR announced to ASX that it had purchased the Exodus Minerals Ltd (now Australian Cancer Technologies Ltd) EL 5772 Mt Darling Creek for 250,000 GCR shares. Mt Darling Creek adjoins GCR's EL 5784 Broken Hill where a recent hole at the Mulga Springs prospect intersected 2m of sulphides grading 10.9 g/t Pt, 22.6 g/t Pd, 4.45% Ni and 6.12% Cu.

The Mt Darling Creek property, surrounding GCR's Mineral Claim 159, contains several ultramafic lenses with high grade gossan outcrops. Recent rock chip sampling by GCR on these gossans produced the following results, released to ASX on 21 January 2002.

### Mt Darling Creek – Recent Rock Chip Results

| Easting (m) | Northing (m) | Platinum (g/t) | Palladium (g/t) | Gold (g/t) | Nickel (%) | Copper (%) | PGMs (g/t)  |
|-------------|--------------|----------------|-----------------|------------|------------|------------|-------------|
| 557099      | 6463664      | <b>20.6</b>    | <b>38.0</b>     | 0.89       | 1.88       | 2.95       | <b>58.6</b> |
| 557118      | 6463618      | <b>14.9</b>    | <b>13.7</b>     | 0.77       | 1.32       | 1.50       | <b>28.6</b> |
| 557120      | 6463647      | <b>17.3</b>    | <b>28.8</b>     | 0.48       | 1.25       | 2.80       | <b>46.1</b> |
| 556858      | 6463112      | <b>8.5</b>     | <b>21.5</b>     | 0.32       | 0.46       | 1.61       | <b>30.0</b> |
| 556791      | 6463087      | <b>13.5</b>    | <b>32.5</b>     | 0.23       | 1.04       | 0.95       | <b>46.0</b> |
| 556619      | 6463040      | <b>17.2</b>    | <b>28.0</b>     | 0.26       | 1.88       | 0.88       | <b>45.2</b> |

In 1971 a previous explorer drilled exploratory holes into the ultramafic lenses, obtaining results that are significant in light of current platinum-palladium prices:

### Mt Darling Creek – Drilling by Previous Explorers

| Hole No. | Easting (m) | Northing (m) | From (m) | Intercept (m) | Pt (g/t)    | Pd (g/t)    |
|----------|-------------|--------------|----------|---------------|-------------|-------------|
| DDH 3    | 557067      | 6463257      | 40.54    | <b>4.57</b>   | 0.81        | <b>1.90</b> |
| Incl     |             |              | 40.84    | 0.31          | <b>1.98</b> | <b>5.42</b> |
| DDH 4    | 557101      | 6463263      | 62.18    | <b>5.02</b>   | 0.24        | 0.25        |
| Incl     |             |              | 64.61    | 0.31          | <b>1.02</b> | 0.46        |
| DDH 6    | 557172      | 6463754      | 19.81    | <b>15.24</b>  | 0.12        | 0.22        |
| Incl     |             |              | 33.53    | 1.52          | 0.61        | <b>1.37</b> |
| DDH 8    | 557125      | 6463869      | 44.19    | 0.31          | <b>1.00</b> | <b>1.94</b> |
|          |             |              | 45.72    | 0.61          | 0.55        | <b>2.17</b> |
| PH 44    | 557148      | 6463384      | 10.67    | <b>12.19</b>  | 0.61        | <b>1.00</b> |
| Incl     |             |              | 10.67    | <b>4.57</b>   | <b>1.13</b> | <b>2.10</b> |

Outcrops containing typical Broken Hill-style mineralisation occur in the south west portion of Mt Darling Creek. Small base metals occurrences have been identified in these outcrops.

Maps showing mineralisation on GCR's Broken Hill properties are available at [www.reflections.com.au/goldencross](http://www.reflections.com.au/goldencross). GCR intends to explore these properties in the near future including drilling two RC drill holes to follow up the high-grade sulphide intersection at Mulga Springs.

## 3. Kempfield (near Blayney, NSW, 250 sq km, GCR 100%, silver, barite, gold and base metals)

The Kempfield property hosts significant silver-lead-zinc-barite resources along a 3 km strike length in Silurian Volcanics. Assisted by recent increases in the silver price, GCR intends to refocus its attention on Kempfield as soon as resources permit.

**4. McPhails** (near Peak Hill, NSW, 10 sq km, GCR 100% gold. Subject to 10% free carried interest to Metallic Resources Pty Ltd).

McPhails is located 14 km along the Newell Highway from Alkane's Peak Hill plant. Alkane has reported a potentially economic oxide gold zone to the north and south of GCR's licence, with results of up to 70m at 1.53 g/t gold from 43m and 3m at 10.9 g/t gold from 45m. The gold zone appears to continue through GCR's licence and further drilling by Alkane is anticipated.

McPhails covers the old Myall United mine workings and reprocessed tailings. Soil samples taken by GCR assayed up to 3.4 ppm gold.

Alkane Exploration Ltd may earn a 100% interest in the exploration licence by spending \$30,000 on exploration by 16 July 2002. The farm-in excludes the area containing the old mine workings and tailings dumps, which is retained by GCR.

GCR will retain a royalty of:

- \$0.75/tonne for the first 500,000 tonnes of ore treated;
- 3% net smelter return on additional ounces of gold produced up to 150,000 ounces; and
- 5% net smelter return on additional ounces of gold produced in excess of 150,000 ounces.

**5. Copper Hill** (near Molong NSW, 75 sq km, 100% GCR, gold-copper-palladium)

Copper Hill, the site of the first copper mine in NSW, contains a porphyry system extending for over 5 km. Inferred resources, down to 150m below surface at a 0.5 g/t gold cut-off, are 6.6 million tonnes at 0.8% copper and 0.8 g/t gold, for 340,000 ounces gold equivalent.

A recent pole-dipole induced polarisation (IP) survey with 3D inversion modeling revealed a zone of higher chargeability coincident with anomalous copper soil geochemistry, to the east of the main zone, which warrants drill testing.

**6. Cargo** (NSW, 470 sq km, GCR 100% subject to 1% net smelter royalty to Imperial One Limited. Copper and gold)

Cargo is a large gold-copper mineralised porphyry system approximately 3 km by 2 km in size with potential to host a Ridgeway-style gold-copper deposit. The system hosts 14 gold reefs mined in the early 1900s. The Spur-Dalcoath zone contains an inferred resource of 3.7 Mt at 1.24 g/t gold for 147,000 ounces.

**7. Wagga Tank** (near Cobar, NSW, 320 sq km, GCR 100%, gold and base metals. Pasmenco (manager) may spend \$2.5M by 1.1.2005 to earn 70%)

Wagga Tank prospect contains an inferred resource of 1.25 million tonnes at 0.66 g/t gold, 68.8 g/t silver, 0.81% copper, 1.76% lead and 3.3% zinc. The property contains several other established prospects with potentially economic mineral intersections, including Fenceline, BMW, Siegals, Blue Mountain and Mt Allen. During the quarter Pasmenco completed an RC drilling programme at the Seigals, Fenceline and BMW prospects. Best results were from Seigals prospect, as follows:

**Wagga Tank – Best Results from RC Drilling at Siegals Prospect**

| Hole No. | Northing (m) | Easting (m) | Depth (m) | Intercept (m) | Pb (%) | Zn (%) | Ag (ppm) | Au (ppm) |
|----------|--------------|-------------|-----------|---------------|--------|--------|----------|----------|
| PSRC-02  | 6401810      | 392725      | 78        | 10            | 0.59   | 0.97   | 18       | 0.37     |
| Incl.    |              |             | 78        | 2             | 2.07   | 3.24   | 58       | 1.65     |
| PSRC-03  | 6401650      | 392710      | 34        | 2             | 1.71   | 3.10   | 56       | 0.60     |

Both holes were drilled at a dip of -60 degrees. The azimuths were PSRC-02, 250 degrees; PSRC-03, 90 degrees.

Pasmenco was encouraged by the results and has drilled two follow-up holes. Results are pending.

**8. Yellow Mountain** (north of Condobolin, NSW, 310 sq km, 100% GCR. A portion is subject to a 2% NSR to Imperial One Limited. Gold, silver and base metals)

This copper-gold porphyry project, located on the Gilmore Suture north of Condobolin, NSW, contains several old mines and prospects. It also hosts an under-explored regionally significant magnetic anomaly known as the Melrose anomaly that extends for 10 km.

The Yellow Mountain prospect contains two zones, the Open Cut zone and the Main zone. The Open Cut zone contains trenching with reported rock chip sampling of 6m at 4.4 g/t gold, 18m at 29 g/t silver and 4m at 4.5 g/t gold. The Main zone is reported to contain an indicated resource of 4.4 million tonnes at 0.33% copper, 0.93% lead, 1.27% zinc, 25 g/t silver and an inferred average gold grade of 0.22 g/t. The best drill intersection by previous explorers was 111m at 0.4% copper, 1.0% lead, 1.6% zinc and 25 g/t silver.

The Quarry Hill prospect contains a strong gold-arsenic soil anomaly 600m in diameter. Wide-spaced regional soil samples indicate that this anomaly extends to the northwest for 6 km.

**9. Pipeline/Canbelego** (near Cobar, NSW, 280 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; 3 sq km NW of Pipeline prospect subject to 10% free carried interest to Metallic Resources Pty Ltd)

GCR's property is located in the highly prospective Canbelego-Mineral Hill volcanic belt, 40 km east of Cobar, NSW. The historic Mt Boppy Mine near Canbelego produced over 451,000 ounces of gold from ore grading 12 g/t gold. Potential exists for ore shoot repetitions beneath volcanic cover rocks within GCR ground adjacent to the old Mt Boppy mine.

During the December quarter GCR drilled 11 shallow RC holes for 272m to test geochemical anomalies associated with the old Birthday Mine to the east of Mt Boppy. Best results were 6m at 0.75 g/t gold and 8m at 0.58 g/t gold.

The drill results confirm the presence of mineralisation at the contact between the Girilambone Metasediments and the Baledmund Formation. This represents an almost identical stratigraphic and structural setting to Mt Boppy. None of the holes penetrated deeper than about 20 vertical metres and all remained in oxidised material. One of the characteristics of the Mt Boppy deposit was its high zinc sulphide content. Broad zones of elevated zinc in the GCR drilling (up to 26m at 0.28% zinc) provide further encouragement that higher grades may occur at depth in the sulphide zone. This will be tested by deeper drilling.

**10. West Wyalong** (NSW, 230 sq km, GCR 100%, subject to 2.5% net smelter return to Lac, gold and copper)

Porphyry copper-gold style mineralisation exists within the eastern portion of the tenement at Yiddah North and Narragudgil. The best intersection returned 191m of highly anomalous porphyry style mineralisation including 13m at 0.57% copper and 0.40 g/t gold.

**11. Laverton** (WA, 25 sq km, GCR 2% gross royalty, gold.)

An agreement has been reached for the sale of the property in return for a 2% gross royalty on gold produced.

## Other Properties

See [www.reflections.com.au/goldencross](http://www.reflections.com.au/goldencross) or contact GCR for a hard copy of its 2001 Annual Report.

## DAVID TIMMS, MANAGING DIRECTOR

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

|              |   |
|--------------|---|
| Lex Hansen   | <i>Chairman</i>                                   |
| David Timms  | <i>Managing Director</i>                          |
| Kerry McHugh | <i>Director</i>                                   |
| Daven Timms  | <i>Executive Director &amp; Company Secretary</i> |

### Registered and Principal Office

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Email [gcr@dot.net.au](mailto:gcr@dot.net.au)  
Web site [www.reflections.com.au/goldencross](http://www.reflections.com.au/goldencross)

### Number of Shareholders

At 29 January 2002 GCR had 999 shareholders.

### Major Shareholders

The share register records the following as major shareholders (greater than 2%) at 29 January 2002:

|                                 | %     |
|---------------------------------|-------|
| 1. David Timms                  | 14.42 |
| 2. Metallic Resources Pty Ltd   | 6.42  |
| 3. Aurcay Holdings Inc.         | 4.24  |
| 4. AMP Life Limited             | 3.20  |
| 5. Cyprus Amax Australia        | 3.17  |
| 6. Edward O'Connor-Smith        | 3.13  |
| 7. Guardian Trust Australia Ltd | 2.96  |
| 8. Hysetee Pty Ltd              | 2.60  |
| 9. Golden Cross Plan Managers   | 2.55  |
| 10. Cleo Holdings Pty Ltd       | 2.48  |
| 11. Ledge Finance Ltd           | 2.06  |

### This Quarterly was sent by E-mail

If you haven't already done so, write down your e-mail address & fax to (02) 9482 8488 or email to [gcr@dot.net.au](mailto:gcr@dot.net.au)

Name .....

Company .....

E-mail 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 January 2002 GCR's issued capital was 84,901,818 ordinary shares, 40 million options exercisable at 20 cents by 31.12.2002, 580,000 employee options exercisable at 30 cents by 22.8.2002, 2,220,000 employee options exercisable at 10 cents by 21.12.2006 and 4.2 million Directors' options exercisable at 15 cents by 30.11.2006.

### ASX Listing Code

The Company's ASX listing code is GCR.

### Cash Flow

| <i>Dec 2001 Quarter (Historical)</i> | \$             |
|--------------------------------------|----------------|
| Balance at 30 Sept                   | 957,000        |
| Exploration expenditure              | -368,000       |
| Interest and payments received       | 9,000          |
| Closing Balance at 31 December       | <u>598,000</u> |

| <i>March 2002 Quarter (Forecast)</i> |          |
|--------------------------------------|----------|
| Estimated exploration expenditure    | -300,000 |

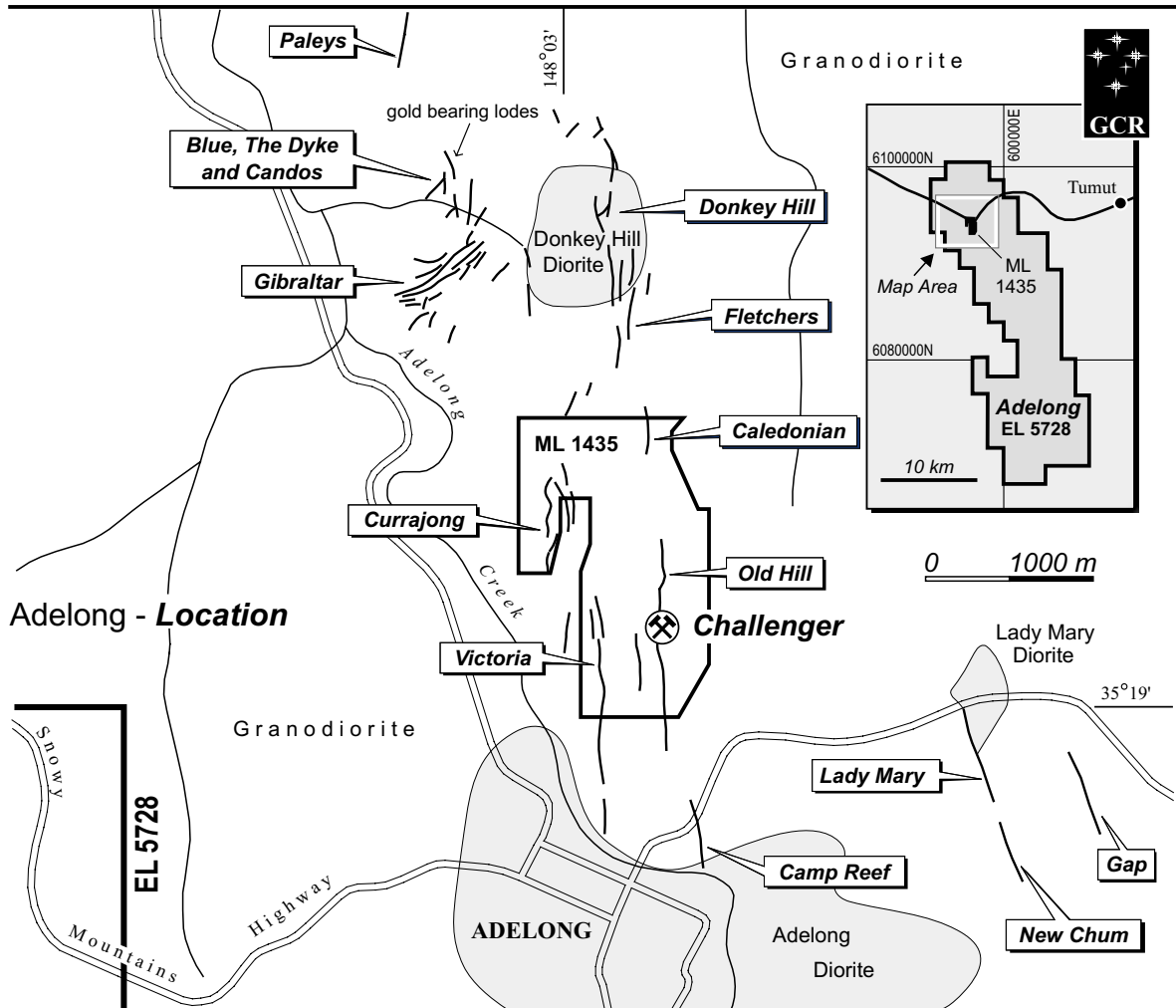
### Web Site

Please visit GCR's web site featuring the latest on GCR, which you are welcome to copy:

[www.reflections.com.au/goldencross](http://www.reflections.com.au/goldencross)

### General Enquiries

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

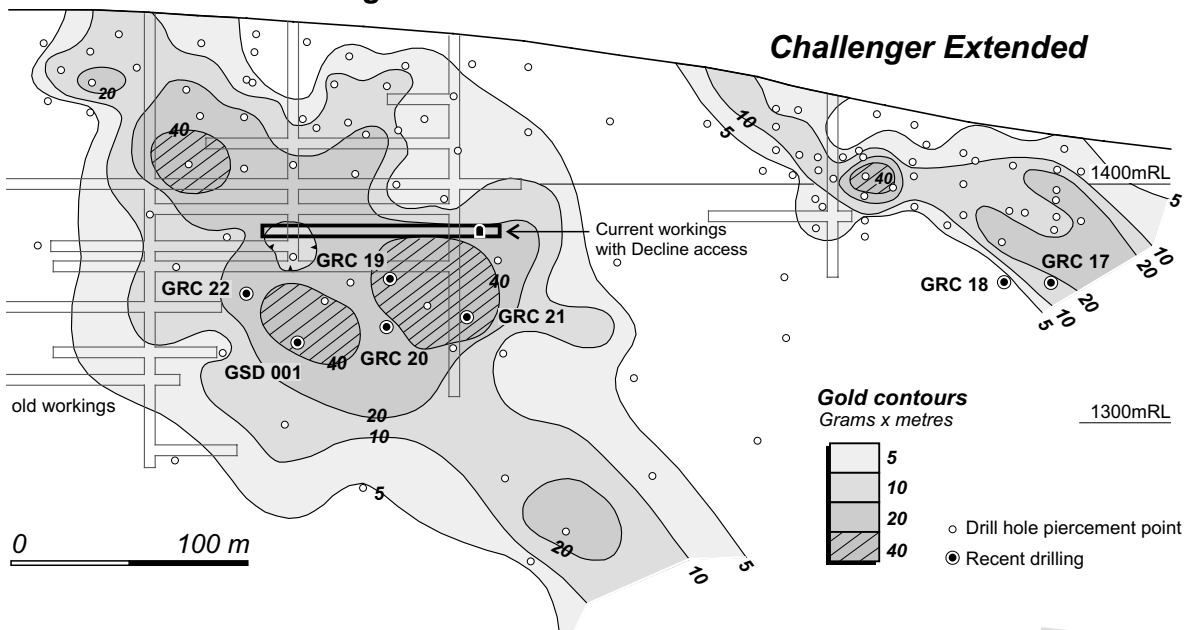


South

North

**Challenger**

**Challenger Extended**



**Challenger Prospect - Longitudinal Section**

**GOLDEN CROSS RESOURCES LTD**  
**ADELONG PROJECT**



FIGURE 1



