



GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

QUARTERLY REPORT TO 30 SEPTEMBER 2002



31 October 2002

HIGHLIGHTS

GCR's 2002 Annual Report was released on 25 October 2002 and is available on GCR's web site at www.goldencross.com.au. Accordingly, this short-form Quarterly Report focusses on exploration results received since preparation of the Annual Report.

- Directors welcome Erwin Clayton as the Company's **new Chairman**, appointed on 11 October 2002. Erwin has a proven track record as Managing Director of Australian public companies with extensive international operations and Finance Director of several multinationals and a major financial institution.
- Intersection of **12m at 47.66 g/t gold** from 52m at the **Bright Star** property near Laverton, where GCR holds a 2% gross production royalty. Bright Star is located 30 km northeast of the Granny Smith mill.
- Initial results from drilling by Triako at **Yellow Mountain** reveal broad intercepts of gold mineralisation from surface within a large area of widespread gold mineralisation. Drilling is ongoing.
- During the quarter GCR announced two farm-ins - by MIM to the **West Wyalong** property and by Yardarino to the **Cargo** property. Work is underway.
- At **Broken Hill**, Sipa has located a number of new ultramafic outcrops and gossans highly anomalous in platinum group metals and plans to conduct drill testing by January 2003.
- Drilling results are awaited from **McPhails**.

1. **Laverton** (near Laverton, WA, gold. Wholly owned by Desert Exploration, with 2% gross production royalty held by GCR)

The Bright Star property, E38/970, formerly known as the Merolia property, has been the subject of a successful 17-hole drill programme conducted by Desert Exploration Pty Ltd.

Desert Exploration followed up and reinterpreted a number high grade intersections obtained by the previous explorer, including 12m at 6.04 g/t gold in a RAB hole together with 6m at 17.6 g/t gold and 2m of 7.5 g/t gold in two RC holes. Recent drilling by Desertex comprised 17 RC holes to a maximum depth of 118m. Results reported by Desertex include 12m at 47.66 g/t gold from 52m downhole.

Desertex has provided GCR with the longitudinal section shown in Figure 1.

The drill results suggest widespread gold mineralisation over at least 500m of strike, with historical geochemical anomalies to the northwest and southeast that require follow-up. Further drilling is planned for the near future.

GCR holds a 2% gross production royalty over the property, equivalent to over \$11 per ounce of gold at present prices. If 1 million ounces were to be produced from Bright Star, GCR would receive \$11 million.

2. **Broken Hill** (NSW, 420 sq km, GCR 100%, platinum group metals, gold and base metals. Sipa (manager) may complete a bankable feasibility study by 2.5.2006 to earn 70%)

Sipa has initiated work including geological mapping and ground electromagnetic surveys and has completed an interpretation of historic geophysical data. The work has focused on a sinuous belt of ultramafic intrusive rocks, which are host to high-grade platinum and palladium-rich gossans and massive sulphides. A hole drilled by GCR in March 2001 intersected 2m at 10.91 g/t platinum (Pt), 22.63 g/t palladium (Pd), 4.45% nickel (Ni) and 6.12% copper (Cu) from 45m. Further analysis of this

2m intercept returned 1.16 g/t iridium, 1.29 g/t osmium, 1.0 g/t rhodium and 0.5 g/t ruthenium. This brings the combined platinum group metals contained in this intercept to 37.49 g/t.

Sipa has located a number of new ultramafic outcrops and gossans highly anomalous in platinum group metals (Figure 2) and plans to drill test a number of prospects by January 2003.

3. Copper Hill (near Molong NSW, 75 sq km, 100% GCR, gold-copper-palladium. MIM (manager) may spend \$4.5M by 1.3.2006 to earn 70%)

MIM is presently conducting geological mapping and a review of recent drill results. The mapping is focussed on possible extensions of the Copper Hill system to the southeast and on the Larras Lake prospect approximately 5 km to the north of Copper Hill.

4. West Wyalong (NSW, 230 sq km, GCR 100%, gold and copper. MIM (manager) may spend \$2.5M by 28.6.2006 to earn 70%. Subject to 2.5% nsr to Lac Minerals)

The focus has been on the Gilmore Suture structural zone containing significant gold deposits worked in the late 1800s and early 1900s. Within the joint venture area previous explorers identified porphyry copper-gold systems along the Gilmore Suture at Narragudgil and Yiddah North.

During the December quarter MIM plans to use its MIMDAS IP system over these areas to identify sulphide drill targets.

5. Cargo (NSW, 470 sq km, GCR 100%, copper and gold)

Yardarino has commenced field work and plans to conduct a large induced polarisation (IP) survey during November to locate priority drilling targets to test for Ridgeway-style gold-copper orebodies.

6. Yellow Mountain (north of Condobolin, NSW, 310 sq km, 100% GCR, gold, silver and base metals. Triako (manager) may earn a 70% interest by spending \$1.3M by 19.10.2005)

Initial exploration drilling by Triako Resources has focused on the Claytons Dam and Quarry Hill prospects. Drilling is ongoing, however 20 RC holes have been completed to date for a total of 1,105m. Results have been received for these 20 holes.

At Claytons Dam four holes were completed with the best intersection being 36m at 0.52 g/t gold from surface in hole TYM002. At Quarry Hill the best intersection was 36m at 0.79 g/t gold from surface including 12m at 1.44 g/t from 4m in hole TYM016. Many of the holes are characterised by broad zones of anomalous gold in the 0.1 to 0.5 g/t range. The drilling confirms the existence of widespread gold mineralisation over a large area.

Triako has also completed three-dimensional interpretation of magnetic data from the large Melrose Magnetic Anomaly. Air core drill testing of specific areas within the anomaly are planned.

7. McPhails (near Peak Hill, NSW, 10 sq km, gold. GCR holds area of old mining lease and a sliding-scale royalty of up to 5% on the remainder of EL 5830. 10% of the royalty is payable to Metallic Resources Pty Ltd).

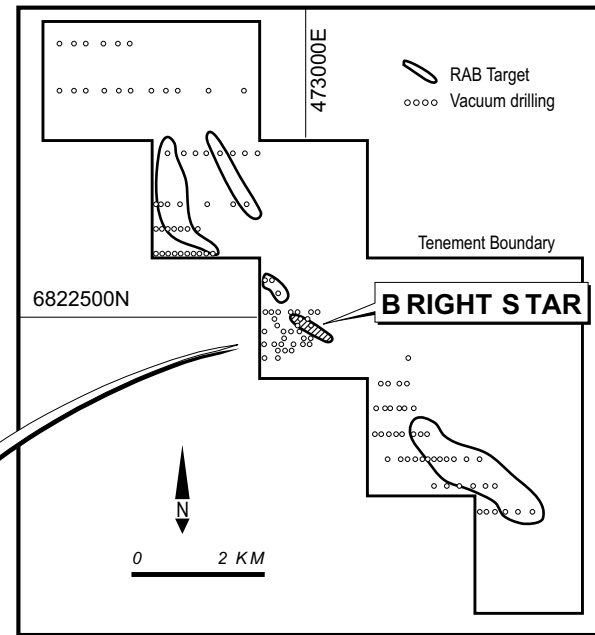
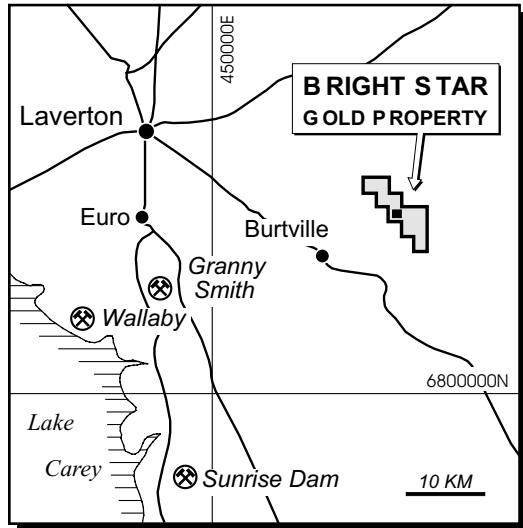
GCR holds a graduated royalty of up to 5% net smelter return over EL 5830. In May 2002 Alkane announced a preliminary resource estimate on adjacent ground, known as the Wyoming South Prospect, of 1.58Mt at 2.01 g/t gold, comprising an indicated component of 1.08Mt at 2.12 g/t gold and an Inferred component of 0.50Mt at 1.77g/t gold at a 1g/t gold cut-off. Alkane announced that the zone is open at depth and to the southeast towards the former McPhails Mining Lease now owned by GCR.

In September 2002 Alkane announced that further drilling to the north of EL 5830 had delineated a zone of gold mineralisation with a strike length in excess of 1 kilometre.

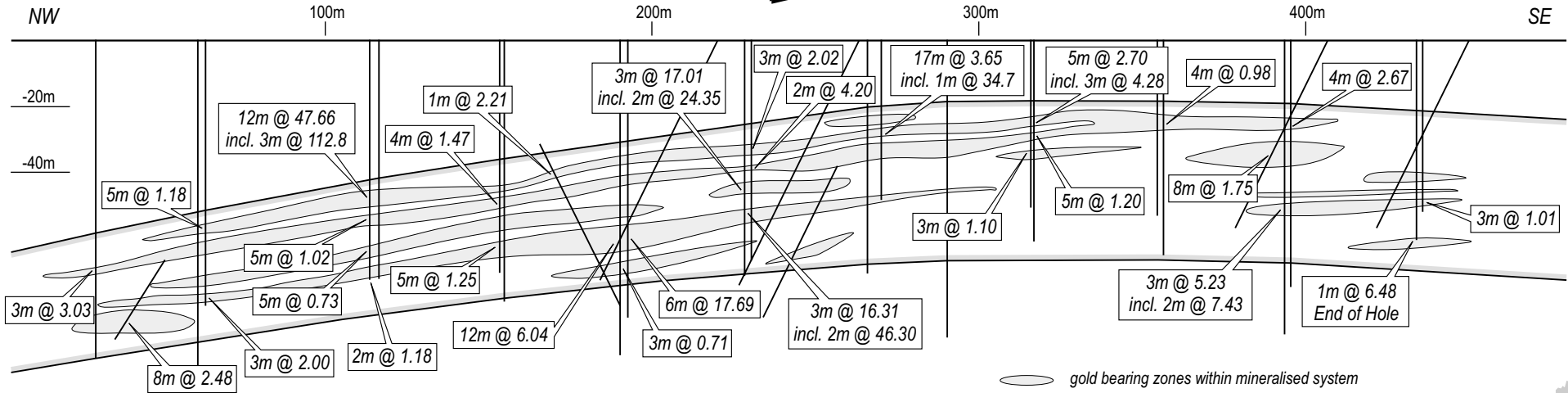
Alkane has recently conducted further drilling on EL 5830. Results are awaited.

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.



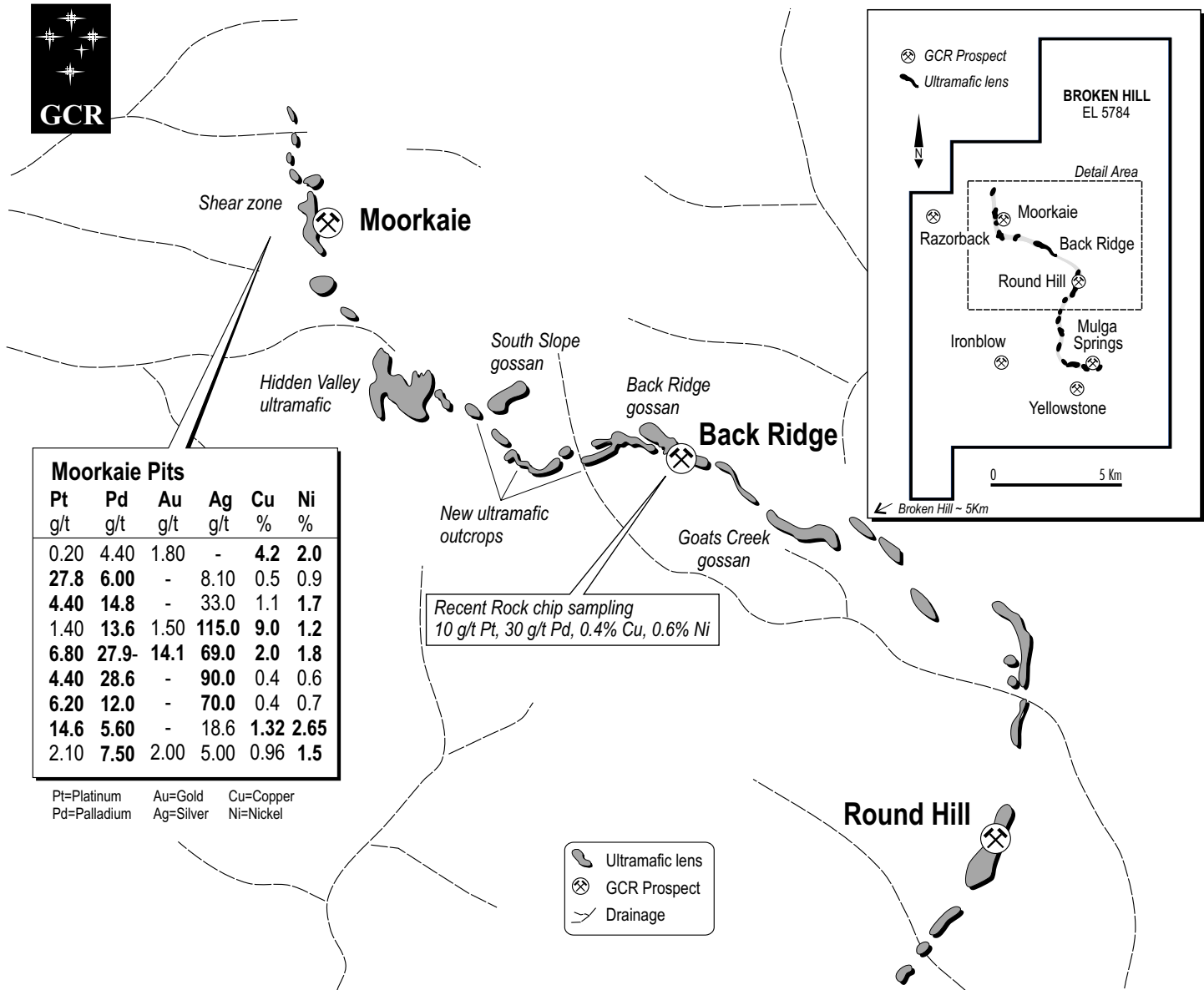
LONGITUDINAL SECTION



- gold bearing zones within mineralised system
- 4 @ 2.67 metres @ g/t gold
- approximate boundary of significant mineralisation

GOLDEN CROSS RESOURCES LTD
 BRIGHT STAR GOLD PROPERTY





GOLDEN CROSS RESOURCES LTD
BROKEN HILL PROPERTY