



QUARTERLY REPORT

DECEMBER 2003

30 January 2004

HIGHLIGHTS

- Drilling at Sunny Corner extends mineralisation. Further drilling is underway
- Execution of full form farm-out agreement with Polymetals Pty Ltd regarding the Canbelego Area and recommencement of drilling.
- Announcement on 10 December 2003 that GCR expects 10 drilling programmes to be undertaken on its properties over the next three months – see below for details.
- A placement of 19.8million shares at 7.7 cents raised \$1.5million in October and a Shareholder Purchase Plan was announced in December to raise up to \$2.5million. It has been extended to close on 16 February 2004. GCR had \$1.7million in cash at end of December 2003 which will be augmented by the proceeds of the Shareholder Share Purchase Plan. The funds will be used to accelerate drilling on GCR's 100% owned properties especially those on which resources have already been established.

UPDATE ON TEN DRILLING PROGRAMMES

As announced to ASX during December 2003, ten drilling programmes on Golden Cross properties are underway or planned for the March quarter, for a total of over 21,000m of drilling.

The current status of the ten programmes is as follows:

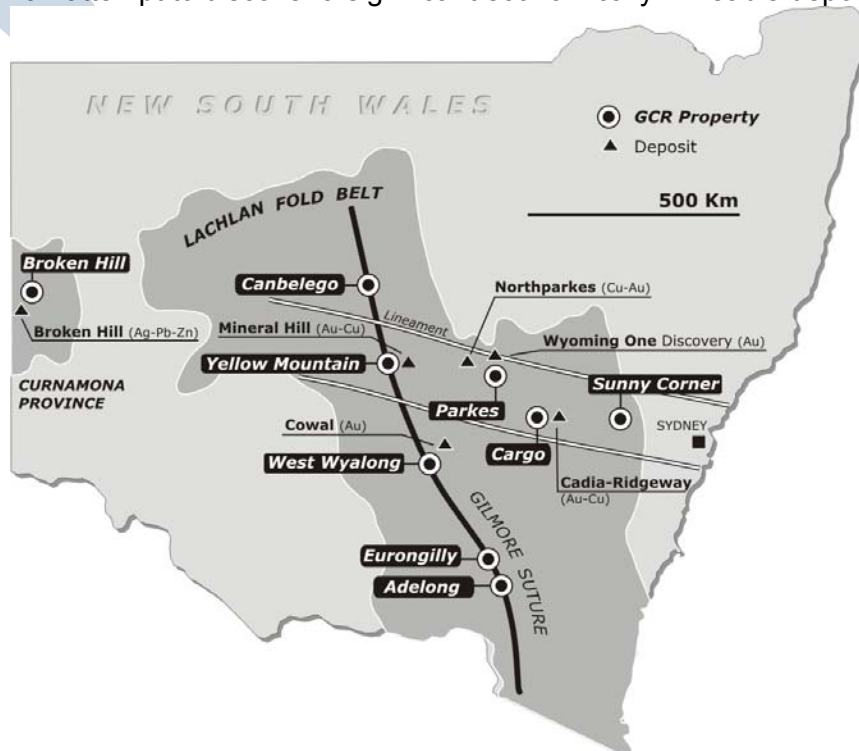
1. At **Broken Hill**, Gravity Capital has recommenced RC drilling on the first of four targets on Golden Cross ground, testing for world class Broken Hill-type orebodies. Targets comprise the Tip and Mt Gipps East anomalies, which might host massive silver/lead/zinc sulphide targets of the Broken Hill type, and the Avondale 1 and 3 anomalies, which may represent gold/copper targets of the Ernest Henry type.
2. At **Canbelego**, Polymetals has completed 400m of RC drilling on epithermal gold targets at Mt Boppy South and Mt Boppy. The drilling followed-up near-surface ore-grade gold mineralisation intersected in two previous drilling programmes, reported to ASX in May 2003 and September 2003. The third programme was aimed at establishing a mining reserve of open-pittable gold ore for processing at Polymetals' Mt Boppy plant. Results are pending.
3. At **Sunny Corner**, Golden Cross has commenced 1,600m of RC drilling to test for further high-grade base-metals and silver mineralisation, at the old Sunny Corner Mine.
4. At **Adelong**, Golden Cross is planning a 6,500m drilling programme for February to test some of the 60 gold reefs mined in the 1880s and expand the gold resources already established within the mining lease.



5. At **Yellow Mountain**, Triako Resources has completed a large follow-up programme of 7,500m of aircore drilling. The drilling was designed test the regionally-significant Melrose magnetic anomaly for intrusion-hosted gold-copper mineralisation. Assay results are pending. Previous aircore drilling of the anomaly intersected anomalous gold in an east-west corridor up to 2 km long and 750m wide.
6. At **Parkes**, Golden Cross is planning 1,000m of RC drilling during March, to test for gold mineralisation at a number of advanced prospects identified from previous drilling and sampling.
7. At **West Wyalong**, Golden Cross is planning 1,500m of aircore drilling during March, to test for gold and copper mineralisation adjacent to a postulated "intrusive centre" south of Wyalong. The "intrusive centre" is characterised by anomalous soil geochemistry, gravity and magnetics.
8. At **Cargo**, Falcon Minerals is planning up to 2,400m of RC drilling on gold-copper Ridgeway-style targets at Cargo and Belubula during Feb./March.
9. At **Eurongilly**, Golden Cross is planning 1,000m of aircore drilling during March to follow-up the encouraging aircore drilling intercepts of gold and copper mineralisation at the Kurrajong prospect where there are indications of a possible leached porphyry cap and high sulphidation gold mineralisation.
10. At **Broken Hill**, Sipa Exploration is planning follow-up drilling near sites where rock chip sampling returned high grade platinum-nickel-copper mineralisation in 2003. The drilling is planned for the first quarter of 2004.

The location of each of the properties is shown on the map below.

This is one of the most active periods in the history of Golden Cross, with over 21,000m of drilling scheduled to take place on our properties in NSW in the March quarter in an attempt to discover a significant economically mineable deposit.





Broken Hill

(520 sq km, GCR 100%, platinum group metals, gold and base metals. JV partner Sipa (manager) may complete a bankable feasibility study by 2.5.2008 to earn 70%. GCap may earn a 51% interest in GCR-Sipa JV ground by completing a bankable feasibility study on nominated target areas by 31.1.2007)

Golden Cross and its joint venture partner Sipa hold a considerable ground position in the Broken Hill area, mostly within 25km of the famous Broken Hill orebody, the largest deposit of its type in the world. Sipa is planning follow-up drilling near sites where rock chip sampling returned high grade PGM-nickel-copper mineralisation in 2003. The drilling is planned for the first quarter of 2004. In a separate three-way joint venture over the same ground, Gravity Capital (GCap) has completed detailed confirmatory ground magnetic and gravity surveys over four nominated FALCON™ Gravity Targets with the joint venture area.

GCap has recommenced RC drilling on the first of four targets on Golden Cross ground, testing for world class Broken Hill-type orebodies. Targets comprise the Tip and Mt Gipps East anomalies, which might host massive silver/lead/zinc sulphide targets of the Broken Hill type, and the Avondale 1 and 3 anomalies, which may represent gold/copper targets of the Ernest Henry type. Results are awaited.



Canbelego

(part of the Pipeline property near Cobar, totalling 216 sq km, GCR 100%, gold and base metals. Farm-in partner Polymetals exploring 75 sq km Canbelego area for open-pittable resources of gold and silver, with any open-pittable ore mined to be shared 50:50 between GCR and Polymetals. 60 sq km around Mt Boppy subject to 5% net profits interest (NPI) to Nosebi Mining and Management Pty Ltd; 3 sq km NW of Pipeline property subject to 10% free carried interest to Metallic Resources Pty Ltd)

The full-form Canbelego Farm-in and Joint Venture Agreement between Golden Cross and Polymetals was signed during the quarter.

The agreement allows Polymetals to explore Golden Cross' 100%-owned Canbelego Area near Cobar until 28 March 2004. It provides for any gold and silver-bearing ore, mined from mining leases applied for by 28 March 2004 and granted within the Area, to be shared 50:50 between the parties and to be processed through Polymetals' Mt Boppy processing plant.

Polymetals has completed mining of an open pit over the old workings of the Mt Boppy Gold Mine at Canbelego, producing approximately 25,000 ounces of gold per annum over the past two years. During the quarter Polymetals has undertaken exploration drilling both with the mining leases and in adjacent joint venture ground. Results are pending.

GCR's Canbelego licence (EL 5842) surrounds Polymetals' six mining leases at Mt Boppy (Figures on website).



Sunny Corner

(near Lithgow, 130 sq km, GCR 100%, gold, silver and base metals)

During November Golden Cross announced it had received assay results for the second programme of RC drilling at its 100%-owned Sunny Corner property near Lithgow, NSW.

Eighteen holes, GSC-14 to GSC-31, were drilled in the second programme. Best results are set out in the table below.

Results were encouraging; with an intersection in hole 26 containing in excess of 30% combined copper, lead and zinc. This intersection lies approximately 60m from



an intersection in hole 3, drilled in the first programme, of 14m at 17% copper-lead-zinc, 3.5 g/t gold and 144 g/t silver.

Sunny Corner – Best Results from Second Drilling Programme

Hole No.	AMG East (m)	AMG North (m)	From (m)	Interval (m)	Copper (%)	Lead (%)	Zinc (%)	Gold (g/t)	Silver (g/t)
GSC-14	769062	6302863	36	50	0.4	0.6	2.4	0.07	16
incl			36	18	0.6	1.6	5.4	0.14	34
incl			38	4	0.8	3.3	8.8	0.27	47
GSC-19	769147	6302858	20	2	0.2	1.9	0.2	0.35	121
and			36	6	0.6	4.1	9.3	0.12	45
and			70	2	0.5	0.2	3.4	0.05	16
GSC-21	769224	6302846	16	2	0.1	1.5	1.6	1.37	109
and			48	6	1.6	0.5	5.8	0.06	29
GSC-23	769138	6302824	25	37	0.4	1.3	2.8	0.02	13
incl			25	13	0.7	3.4	6.5	0.14	30
incl			25	6	0.6	5.6	8.5	0.19	34
and			36	2	2.7	3.7	11.0	0.23	73
GSC-25	769151	6302801	19	9	0.9	6.2	7.6	0.07	38
incl			20	4	1.2	7.7	12.2	0.06	47
GSC-26	769142	6302800	22	10	0.8	4.3	10.8	0.11	36
incl			22	3	1.6	8.8	18.9	0.14	63
incl			22	2	1.1	11.8	19.1	0.14	18
GSC-31	769148	6302827	16	4	0.4	2.6	0.8	1.02	196
incl			16	1	1.3	8.0	0.9	3.00	628

Of the 15 holes that reached their targets, 11 intersected significant zones of base metals sulphide mineralisation and five intersected high grade massive sulphide zones.

The best sulphide zone intersected lies on the western side of the prospect, adjacent to the Rollover Fault, which dips steeply to the west. This area of near-surface high grade mineralisation has to date been intersected by drilling over an area 100m long and 50m wide. Drilling suggests the presence of a partly mined-out, flat-lying, high grade zone of mineralisation, two metres to five metres thick, underlain by a well-mineralised, sulphide-rich breccia (10m to 15m thick), which is in turn underlain by disseminated and stringer sulphide mineralisation 20m to 30m thick. This zone changes abruptly at the Rollover Fault where sulphides dip steeply to the west. This abrupt change in dip is thought to be related to a monocline fold structure associated with the fault. Sulphides have historically been mined in this structure to a depth of about 90m below surface. This zone represents an attractive target for Golden Cross, as records suggest that significant mineralisation may remain.

Scout drilling to the north, in holes 27 to 29, failed to detect significant sulphide mineralisation beneath the slag dumps, however results indicate that the slag dump material is highly anomalous, especially in gold, silver and zinc. For example the



first 12m of hole 28 returned 0.4% copper, 1.1% lead, 7.1% zinc, 0.4 g/t Au and 78 g/t silver.

Golden Cross has delineated a corridor of gold, silver and lead anomalism using rock chip and soil sampling methods. This extends for over two kilometres along strike and is 200 to 300m wide. The old Sunny Corner and Silver King Mines, which have been the main focus of drilling to date, lie within this corridor beneath a veneer of sedimentary rocks approximately 20m thick. These sedimentary rocks become thicker to the south of the old mines and mask geochemical responses in soils and rock chips (Figures on website).

During December an analysis of historical geophysical data generated a number of prospective drilling targets.

The third drilling programme is presently underway, consisting of 1,600m of RC drilling to test for further high-grade base metals and silver-gold mineralisation.

Eurongilly

(near Juneee, 104 sq km, 100 % GCR, copper-gold)

During October 2003 GCR completed a programme of aircore and RC drilling in 13 vertical holes for 621m at the Kurrajong prospect. These intersected anomalous gold and copper over a wide area. Hole No 8 was particularly encouraging with an intersection of 22m at 0.27g/t gold from surface.

These holes occur in a magnetic low anomaly where historic petrographic reports describe the minerals pyrophyllite and diaspore, which typically occur in high-sulphidation gold deposits. The Gidginbung Deposit located on the Gilmore Suture approximately 100 km to the north is a high sulphidation gold deposit that produced 450,000 ounces of gold in the 1980s.

Best grades in both historic and GCR drilling indicate that mineralisation may be associated with a large northeast-trending structure where it crosscuts a generally north trending alteration zone.

Golden Cross is planning 1,000m of aircore drilling during February to follow-up the encouraging aircore drilling intercepts of gold and copper mineralisation at the Kurrajong prospect where there are indications of a possible leached porphyry cap and high sulphidation gold mineralisation.

McPhails

(near Peak Hill, 13 ha. GCR holds 90% interest in area of old mining lease and a royalty of up to 5% nsr on the remainder of EL 5830. 10% of the royalty is payable to Metallic Resources Pty Ltd)

Alkane Exploration Ltd has earned a 100% interest in Exploration Licence 5830 where GCR retains a royalty of:

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

GCR holds a 90% equitable interest in the area of the old McPhails mining lease, consisting of 13 ha in area within EL 5830.

McPhails is located 14 km north along the Newell Highway from Alkane's Peak Hill plant.



Throughout 2003 Alkane conducted intensive drilling on Wyoming, a porphyry gold prospect straddling the northern boundary of EL 5830. This work has delineated a resource in the order of 500,000 ounces of gold at a grade of 2.4g/t gold using a 0.75g/t cutoff. Gold mineralisation is spatially associated with an intrusive porphyry rock that plunges southward into the GCR royalty ground.

GCR is encouraged by the work Alkane has undertaken and will await the results of more exploration and feasibility work outlined in Alkane's recent press releases.

Adelong

(near Tumut, 300 sq km, GCR 100%, gold)

Adelong was once one of the largest gold fields in NSW, having produced an estimated 0.8 million ounces of gold from alluvial and hard rock sources.

GCR is scheduled to commence a program of 6500m of drilling in early February 2004. This work is designed to augment existing resources and test new targets within the mine area.

GCR is finalising a revised feasibility study for the Adelong Gold Project, focussing on the recovery of gold using flotation followed by intense cyanidation of the concentrates. The flotation-leach process is very cost-effective and provides a high gold recovery from a low yield concentrate. Gold mineralisation is closely associated with a low pyrite content that liberates cleanly at a relatively coarse grind size.

The revised process and a simple bulk mining approach has the potential for reduced project capital cost and project risk. Other benefits are a potentially saleable clean sand stockpile with the elimination of a cyanide-contaminated tailings dam. Process development testwork undertaken by Metcon Laboratories indicates that a high recovery, low yield, high grade gold concentrate would be achievable. Total gold recovery is expected to be optimised at near 95%.

West Wyalong

(West Wyalong, 230 sq km, GCR 100% 2% NSR to Barrick, gold-copper)

The West Wyalong licence hosts the West Wyalong Goldfield, which produced over 450,000 ounces of gold in the late 1800s. The licence is also host to a portion of the highly mineralised Gilmore Suture structural zone hosting many old gold mines and a number of prospects containing porphyry copper-gold styles of mineralisation.

GCR plans to conduct a program of aircore drilling in the coming months to test a number of geochemical and geophysical targets.

Bright Star

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

DesertEx's parent company A1 recently completed a successful float on the ASX stock exchange. They have reported encouraging metallurgical and drilling results from the Bright Star gold project and are undertaking further drilling to extend the resource.

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.



GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

GCR AT A GLANCE

Directors

Christopher Ryan	Chairman
David Timms	Managing Director
Kerry McHugh	Director
Chris Torrey	Director - Exploration
Daven Timms	Alternate Director & Company Secretary

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Number of Shareholders

At 31 December 2003 GCR had 1,446 shareholders.

Major Shareholders

The share register records the following as major shareholders (greater than 1%) at 15 January 2004

	%
1. David Timms	9.76
2. Metallic Resources Pty Ltd	3.51
3. John Dennis Quirk	2.95
4. Arnold and Ruth Getz	2.70
5. Golden Cross Plan Managers	2.29
6. Aurcay Holdings Inc	2.28
7. Sipa Resources International	1.90
8. Cyprus Amax Australia	1.71
9. Tasman Management Pty Ltd	1.65
10. Robert Cameron Galbraith	1.61
11. Wythenshawe Pty Ltd	1.32
12. Ledge Finance Ltd	1.27
13. Colin Glanville Young	1.27
14. John William Meredith	1.20

Cash Balance

At 15 January 2004 GCR's cash balance was \$2.04 million.

ASX Listing Code

The Company's ASX listing code is GCR.

Issued Capital

At 15 January 2004 GCR's issued capital was 157,754,612 ordinary shares, 1,250,000 options exercisable at 12.5 cents by 1.1.06, 3.5 million employee options exercisable at 10 cents by 11.11.2008 and 7.6 million Directors' options exercisable at 15 cents by 30.11.2006.

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) 9290 9600

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Name

E-mail address

Website

Please visit GCR's website featuring the latest on GCR:

www.goldencross.com.au

General Enquiries

Contact David Timms or Chris Torrey at the principal office: ph. (02) 9482 883