



## QUARTERLY REPORT

**MARCH 2004**

29 April 2004

### HIGHLIGHTS

- Five of the ten drilling programmes announced in December were completed during the March quarter, the remaining five being delayed for various reasons. Those completed were at Canbelego, Sunny Corner, Broken Hill (Gravity Capital), Yellow Mountain and Eurongilly, for which results are set out below.
- At Canbelego, RC drilling by Polymetals Mining Services Pty Ltd intersected 8m at 8.46 g/t gold from 35m, and 11m at 6.0 g/t gold from 49m, on GCR ground to the south of the Mt Boppy Open Pit.
- RC drilling at Sunny Corner extended the zone of high grade silver-copper-lead-zinc-gold mineralisation. Two step-out holes are presently underway, drilling for possible extensions.
- Gold zones associated with a mineralised porphyry were identified at Sunny Corner. A drilling programme is planned.
- A1 Minerals extended the Bright Star gold zone in WA, over which GCR holds a 2% gross royalty.
- A share purchase plan raised \$2.1 million during the quarter through the issue of 26.5 million shares at 8 cents per share. GCR's cash reserves were \$3.2 million at 31 March 2004.

### OUTLOOK

- A number of drilling programmes on GCR properties are scheduled for completion in the June quarter:
  - Sunny Corner (silver-copper-lead-zinc)
  - Adelong (gold reefs)
  - Copper Hill (copper-gold porphyry)
  - Yellow Mountain (gold-copper)
  - Sunny Corner (gold zones)
  - Parkes (gold reefs)
  - West Wyalong (porphyry copper-gold)
  - Cargo (gold-copper targets)
  - Byrock (epithermal gold)
  - Broken Hill (platinum-nickel)



## Canbelego

(part of the Pipeline property near Cobar, totalling 216 sq km, GCR 100%, gold and base metals. Under a farm-in agreement Polymetals had rights to apply for a Mining Lease over open-pittable resources of gold and silver in Mt Boppy area, 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)

A recent report by Polymetals Mining Services Pty Ltd indicates that drilling on Golden Cross ground south of the Mt Boppy Open Pit intersected encouraging gold grades (Figure 1).

The drilling was on ML 311, a mining lease held by Polymetals that caters for tailings or dump impoundments and extends to a depth of only 2m below surface. The ground beneath the lease is part of exploration licence EL 5842, owned 100% by Golden Cross.

Lying immediately to the north of ML 311 is the Mt Boppy open pit gold mine, which has produced approximately 25,000 ounces of gold per annum over the past two years. The results show that the Mt Boppy Lode Zone may extend southward into ML 311. Drill section 6507725N in ML 311 shows three holes that contain encouraging gold intersections (Figure 2) as follows:

- Hole PMS101 returned 12m at 5.0 g/t gold from 31m, including 8m at 8.5 g/t from 35m, with the hole terminating in mineralisation.
- Hole PMS072 returned 11m at 6.0 g/t gold from 49m, including 2m at 5.9 g/t in old stope backfill sands from 58m.
- Hole PMS073 returned 3m at 1.8 g/t gold from 21m.

These holes lie 5m, 15m and 25m, respectively, south of the lease that hosts the Mt Boppy Gold Mine and are located beneath or close to the haul road that accesses the pit.

EL 5842 is subject to a farm-in agreement between Polymetals and Golden Cross, which provides that Polymetals had the right apply for a Mining Lease under certain conditions that include delineating open-pittable resources of gold or silver. Any open-pittable ore mined in the area of the Mining Lease to be shared 50:50 between Polymetals and Golden Cross. Polymetals has lodged a Mining Lease Application with the NSW Department of Minerals and Energy, which is presently under consideration by Golden Cross.



## Sunny Corner

(near Lithgow, 147 sq km, GCR 100%, gold, silver and base metals)

### Massive Sulphide Exploration

During the quarter GCR completed sixteen RC holes for a total of 1,631m, including two holes that were abandoned due to poor ground conditions. The holes were drilled to test for extensions of known mineralisation together with targets with coincident geochemical and geophysical anomalies. Results for the first six holes were released to ASX on 26 February 2004, which included an intersection of 10m at 1.7% copper, 10.8% lead, 18.6% zinc, 1 g/t gold and 177 g/t silver in hole GSC-36. On 29 March 2004 GCR announced the results of all but the final hole of the programme (GSC-47). The results from hole GSC-42 were of particular interest as mineralisation was encountered 30m down dip of hole GSC-36 and returned 5m at 245 g/t silver, 1.85 g/t gold, 0.8% copper, 6.0% lead and 6.6% zinc (Figure 3).



This result revealed that a body of high grade massive sulphide mineralisation extends for at least 100m down dip and remains open down dip and to the north.

Results from the remainder of the holes (see table below) confirm the presence of a specific mineralised horizon to the east of hole 42 and enhanced the geological understanding of the area. The final hole in the programme (GSC-47) was designed to test an electromagnetic anomaly and encountered carbonaceous shale, which is the likely cause of the anomaly. Generally low analytical values confirm this.

Two step-out holes are presently underway, drilling for possible extensions.

### Sunny Corner – Significant Drill Intersections

Hole No	Easting (m)	Northing (m)	From (m)	Intercept (m)	Copper (%)	Lead (%)	Zinc (%)	Gold (g/t)	Silver (g/t)
GSC-32	769047	6302782	34	14	0.2	1.3	2.1	0.09	22
incl			36	2	0.6	2.9	5.4	0.12	62
and			52	4	0.2	1.0	2.3	0.18	33
GSC-36	769058	6302867	46	26	1.2	5.9	12.0	0.42	93
incl			46	10	1.7	10.8	18.6	1.00	177
GSC-37	769131	6302907	16	22	0.7	4.6	6.1	0.51	44
GSC-38	769065	6302897	38	18	0.1	0.7	1.2	0.31	3
GSC-39	769221	6302866	36	12	0.1	1.0	1.2	0.05	3
and			52	3	0.4	0.1	2.5	0.04	6
GSC-42	768992	6302882	87	5	0.8	6.0	6.6	1.85	245
GSC-44	769229	6302798	36	4	0.2	1.6	4.0	0.39	12
GSC-46	769229	6302603	18	4	0.1	0.6	1.9	0.02	6

### Gold Exploration

GCR has been conducting regional geological mapping, prospecting and a review of previous mining and exploration activities throughout the Sunny Corner area. Three areas of gold mineralisation associated with relatively young porphyritic intrusions have been targeted for further exploration, with 2,000m of RC drilling scheduled to commence in May (Figure 4).

At Bobs Creek, gold mineralisation is hosted in quartz veins that form preferentially at the contact between a hydrothermally altered quartz-feldspar porphyry and overlying sediments. Reported production from this goldfield was about 1,400 oz. Of the 202 historic rock chip samples collected from this zone, over 25 historical grab samples returned in excess of 1 g/t gold, including 15 samples in the 1 to 5 g/t gold range. Recent Golden Cross sampling returned values of up to 9.47 g/t gold from outcropping quartz veins, and 26.3 g/t gold from a quartz vein located on old mine dumps. Old workings extend over an area of 1,200m by 400m.

At Big Hill and Little Hill, gold is hosted in a series of flat lying quartz veins that are locally 1m to 3m thick, and vertical shear zones up to 2m wide. Total production was reported to be 14,000 oz from both areas. Veins are hosted in sandstone units interpreted to overlie a buried intrusion. Of the 163 historical rock chip samples collected from the Big Hill zone, 22 returned over 1 g/t gold, including one sample that returned 162 g/t gold. A recent Golden Cross sample from mine dumps returned 9.77 g/t gold, from a siltstone containing abundant quartz veins. Golden



Cross recently collected 11 rock chip samples over old mine dumps at Little Hill. Little outcrop is evident due to rehabilitation of the old mines. Three samples returned 10.2 g/t, 7.2 g/t and 2.2 g/t gold. The combined area of Big Hill and Little Hill is approximately 1,000m by 400m.

All three areas have been sampled by previous explorers and quartz vein material from old mullock dumps returns values from below detection to over 100 g/t gold. Sulphide-bearing or limonitic quartz veins tend to contain higher gold (3 g/t to 15 g/t range), but not in all cases. This response is typical of quartz vein zones containing unevenly distributed (nuggetty) gold.

While high grade gold in quartz veins is important, GCR geologists have also noted the widespread occurrence of fine quartz vein stockworks. Limited sampling of this style of mineralisation has returned values between 0.1 g/t and 2.5 g/t gold. The extent of this style is unknown, but it is interpreted to surround higher grade veins within highly fractured sandstone and/or porphyry. This presents GCR with a potential, near-surface, bulk tonnage target. A scout drilling programme is planned to assess both high grade and lower grade gold targets.



## 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)

On 18 March 2004 Gravity Capital Limited announced to ASX that it was encouraged by results from drilling on ground at Broken Hill held 100% by the Golden Cross -Sipa Resources Joint Venture.

Gravity Capital drilled targets at Avondale, the Tip and Mt Gipps, with best results from Avondale. The following italicised text was extracted from Gravity Capital's announcement.

### **Avondale 1 (Sipa-Golden Cross Joint Venture)**

*Avondale 1 comprises a large, combined gravity and magnetic anomaly and drilling encountered a zoned ultramafic body with strongly anomalous copper, elevated nickel values and weakly anomalous gold and silver.*

*The strongest anomalous zone was encountered at the bottom of hole GCAV1001 (2m at 0.36% copper and 245 g/t nickel). The drilling was limited to the central part of the zoned ultramafic body and did not intersect the margins where development of copper, nickel and platinum group metals (PGM) are more likely to occur.*

*The Avondale 1 ultramafic body is over 2 km long and appears larger in volume than the known outcropping intrusive ultramafic bodies in the Broken Hill district.*

*In view of the exceptional grades encountered in similar rocks of the nearby Golden Cross-Sipa controlled prospect "Mulga Springs" (2m averaging 10.9 g/t platinum, 22.6 g/t palladium, 4.4% nickel and 6.1% copper), further exploration at the Avondale 1 ultramafic is compelling.*

*Drilling at the Avondale 3 target, a smaller analogue of the Avondale 1 Falcon™ target, also yielded mildly anomalous copper and other base metals.*

*The Avondale 2 Falcon™ target, which lies along strike to the southwest of Avondale 1, and is of similar size and style, was not drilled in the initial programme. Two other Falcon™ target areas with similar characteristics, Farmcote and NML, lie within the Sipa-Golden Cross Joint Venture area.*



*The presence of high grade copper-nickel-PGM at Mulga Springs highlights the potential of these ultramafic bodies and provides a strong incentive for further evaluation of the Falcon™ targets in the district.*

### **The Tip (Sipa-Golden Cross Joint Venture)**

*The Falcon™ target christened the “Tip” largely overlies the Broken Hill rubbish dump and is located within 2 km of the Broken Hill orebody. It lies on the western side of the Globe Vauxhall fault in a position of potential structural complexity whereby a folded or faulted repetition of Broken Hill mine sequence could occur.*

*Drilling at the Tip has presented some challenges, including access to optimum drill sites. The four drill holes to date (totalling 756m) have intersected unmineralised rocks interpreted to lie in the stratigraphic suites immediately above and below the Broken Hill group (which hosts the main Broken Hill orebodies).*

*The source of the Falcon™ gravity anomaly has not been explained.*

*Gravity believes that the structural setting definitely justifies further exploration work at the Tip target.*

### **Mt Gipps (Sipa-Golden Cross Joint Venture)**

*Mildly anomalous copper was intersected at the Mt Gipps target however little scope is evident for a sizeable body of mineralisation in the target area and no further work is planned.*

### **Untested Targets**

*Several quality Falcon™ targets remain to be tested, including:*

- *Farmcote and NML (Sipa-Golden Cross JV)*
- *3 Gums (part Sipa-Golden Cross JV and part Triako JV)*

*Work programmes on these target areas are currently being formulated.*

### **Further Programmes**

*Further drill testing at Avondale and probably the Tip will be planned in conjunction with initial drill testing of the highest priority untested target areas. Details of the proposed programme will be released when they have been finalised.*

### **Proposed Drilling by Sipa Resources**

Sipa Resources is planning to conduct RAB drilling of platinum-nickel targets on the Broken Hill JV ground during the June quarter.



### **Copper Hill**

(near Orange, NSW, 95 sq km, GCR 100%, copper and gold)

Copper Hill, near Molong, was the site of the first copper mine in NSW. Like Cadia and Cargo, it was recognised as a porphyry copper prospect over 30 years ago at the time of development of the large porphyry copper deposits in the southwest of the United States. The property hosts a number of large, elongate igneous bodies that intrude into volcanic rocks of about the same age (approximately 460 million years old). Copper and gold mineralisation is hosted in the intrusive rocks and a number of encouraging drill intersections have been obtained by a number of explorers. The best intersection in the main mineralised zone was hole CHRC-058, which intersected 217m at 1.67 g/t gold and 0.72% copper. Outside the main zone, hole NHRC-019 intersected 157m at 0.78 g/t gold and 0.4% copper with sub-intervals of 26m at 1.28 g/t gold and 0.65% copper, and 38m at 1.14 g/t gold and 0.44% copper.



On 6 January 2004 GCR announced to ASX its intention to farm out the project and to that end has been supplying data and having discussions with a number of interested companies.

Mineralisation at Copper Hill is contained within a distinctive northwest-trending structural corridor where hydrothermal destruction of the mineral magnetite is evident in magnetic surveys. Another almost identical and parallel corridor occurs approximately 5 km to the north within another GCR property. This corridor, known as the Larras Lee zone has received little exploration attention as it is hosted in epidote altered volcanic rocks. Of the four drill holes drilled in the area to date, RC hole LLR-04 returned anomalous gold mineralisation of 30m at 0.2 g/t gold. One of the reasons the corridor has not been fully assessed for gold-copper mineralisation is that much of it lies under soil or alluvial cover. In order to more fully evaluate areas under cover, GCR has initiated an aircore drilling programme to test portions of the corridor. Results are pending.

## McPhails/Wyoming One

Recent drilling of the McLeans prospect within GCR royalty ground inside EL 5830 held by Alkane Exploration has returned a number of significant intersections in holes MCP037 and MCP038. GCR holds a royalty of up to 5% net smelter return over EL 5830.

The holes are located approximately 20m to the south of the old McPhails (Myalls United) mining lease, which is 100%-owned by GCR.

### McPhails – Significant Drill Intersections

Hole No.	Easting (m)	Northing (m)	From (m)	Intercept (m)	Gold (g/t)
MCP037	614320	6392250	37	1	24.45
MCP038	614360	6392250	81	18	1.38
including				3	5.02

## 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 on GCR's Eurongilly property (Figure 5). Anomalous gold and copper was intersected over a wide area. Hole 8 was particularly encouraging, with an intersection of 22m at 0.27 g/t gold from surface.

A follow-up programme of 14 aircore holes for 897m was conducted in March this year. These were drilled to the south of previous drilling. Results have been similarly encouraging, with widespread anomalous gold mineralisation detected in weathered, and highly sericite-altered volcanic sediments and intrusive rocks. Of particular interest is hole 18, which returned 38m at 0.48 g/t gold (Figure 6). Anomalous gold results are tabulated below.

In addition to the gold results, hole 17 intersected 3m at 0.65% copper from 78m at the end of the hole, and hole 18 intersected 10m of 0.15% copper from 64m.

These and earlier 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 and the Dobroyde prospect, both high sulphidation gold systems, are located on the Gilmore Suture



approximately 100 km and 25 km to the north, respectively. The Gidginbung Deposit produced 450,000 ounces of gold in the 1980s.

### Anomalous Drilling Results – Kurrajong Prospect

Hole No.	Easting (m)	Northing (m)	From (m)	Intercept (m)	Gold (g/t)
KURAC-16	568625	6134120	34	10	0.15
KURAC-17	568725	6134050	14	32	0.16
KURAC-18	568625	6134050	12	38	0.48
incl			14	10	0.82
KURAC-19	568525	6134120	20	9	0.16
KURAC-22	568700	6133950	42	6	0.14
KURAC-25	568565	6133700	42	18	0.16

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. To date strongly altered rocks with anomalous gold and copper mineralisation have been recognised over a strike length of 1.5 km.

GCR will undertake a mineral alteration study using drill chips from the past two drill programmes in order to define targets for future drilling.

### 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 (Figure 5).

At the time of writing GCR had completed a programme of shallow, open hole percussion drilling. This is a near-surface bedrock sampling technique designed to identify gold-bearing lodes and their anomalous alteration halos. Eighty one holes were completed for a total of 1,661m. Anomalous results were obtained from four areas, Victoria Lode, Rocky Reef, Challenger Extended and Currajong East. These areas are presently undergoing further testing by reverse circulation percussion (RC) drilling.

GCR has to date completed around 1,500m of RC drilling in 12 holes, out of a total programme of 3,000m. Results for the first seven holes, drilled in the Victoria Lode, have been received. Two of these holes (GRC-43 and 46) failed to reach target depth due to poor ground conditions in or adjacent to old workings. Holes GRC-44, 45 and 47 returned multiple zones of strong pyrite mineralisation and altered rock with no significant gold grades. Holes GCR-48 and 49 returned a number of gold-bearing intersections as follows.

### Anomalous Drilling Results – Adelong

Hole No.	Easting (m)	Northing (m)	From (m)	Intercept (m)	Gold (g/t)
GCR-48	596713	6093250	4	2	3.82
and			22	2	1.64
and			48	2	1.98
GCR-49	596674	6093364	18	4	2.10



## Yellow Mountain

(North of Condobolin, 310 sq km, 51% Triako Resources and 49% GCR, gold, silver, base metals. Triako (manager) may earn up to a 70% interest by spending a further \$550,000 by 19.10.2005)

The aircore drilling programme completed by Triako in January was designed to provide more detailed geological and geochemical data at the Fountaindale Prospect, where previous wide-spaced aircore drilling and limited RC drilling intersected significant gold mineralisation beneath 40m of alluvial cover. The gold mineralisation at Fountaindale is associated with felsic intrusive rocks that cause a distinct magnetic low within the large Melrose magnetic anomaly. Contouring of the maximum gold value from each hole at Fountaindale defined an area of geochemical anomalism some 800m by 350m, oriented west-northwest.

Assays were received for 1m samples from the aircore holes completed in December and January. Best intersections were:

- 2m of 3.09 g/t gold from 56m in TYMAC069 in feldspar porphyry
- 1m of 4.46 g/t gold from 44m in TYMAC101 in granodiorite saprolite
- 1m of 2.21 g/t gold from 54m in TYMAC111 in granodiorite and possible aplite

Previous RC drilling had also returned 1m at 5.52 g/t gold in hole TYM065.

Core drilling to follow-up aircore and previous RC drilling results within the geochemically anomalous area at Fountaindale commenced in March. TYMD001, a core twin of TYM065 was completed to 115.1m and returned 2m at 2.4 g/t gold from 88m, intersecting sericite-chlorite-carbonate altered granodiorite, cut by porphyry dykes, shears, quartz veins and breccias, some with minor sphalerite. TYMD002, testing underneath TYMAC069 reached 154.1m, intersecting weathered siltstone to 64.6 m, porphyritic andesite to 87.5 m, and hornfelsed siltstone. TYMD003 was being drilled at the time of writing. Assays are awaited for holes TYMD002 and TYMD003.



## Cargo

(470 sq km, GCR 100%, copper and gold. Falcon Minerals (manager) may spend \$3M by 3.9.2006 to earn 70%)

Falcon Minerals has completed three deep RC holes to test magnetic targets within the Belubula exploration licence to the south of Cargo. While the holes encountered broad zones of magnetite-bearing volcanic rocks, no significant mineralisation was encountered.

## Termination of Strategic Alliance with Aur Resources

On 16 April 2004 the Company announced the termination of its strategic alliance with Aur Resources in consideration of the issue to Aur of 1 million GCR shares.

GCR directors considered that the strategic alliance had the potential to reduce the benefits to shareholders in the event that GCR made a significant discovery through exploration. In more than six years since the alliance was formed, Aur has opted not to participate with GCR in any of its projects offered for farm-out. During this time Aur has been active and particularly successful in the Americas.

Aur became a shareholder of GCR when the strategic alliance was formed and has remained a supportive shareholder since then. GCR believes it will continue to be so for the foreseeable future.

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 15 March 2004 GCR had 1,496 shareholders.

### Major Shareholders

The share register records the following as major shareholders (greater than 1%) at 14 April 2004

	%
1. David Timms	8.41
2. Metallic Resources Pty Ltd	3.00
3. John Dennis Quirk	2.56
4. Piranha Nominees Pty Ltd	2.00
5. Forsyth Barr Ltd	1.98
6. Golden Cross Plan Managers	1.96
7. Aurcay Holdings Inc	1.95
8. Sipa Resources International	1.63
9. ANZ Nominees Ltd	1.60
10. Cyprus Amax Australia	1.46
11. Robert Cameron Galbraith	1.41
12. Tasman Management Pty Ltd	1.41
13. Erwin John Clayton	1.38
14. Arnold and Ruth Getz Super Fund	1.34

### Cash Balance

At 31 March 2004 GCR's cash balance was \$3.2 million.

### ASX Listing Code

The Company's ASX listing code is GCR.

### Issued Capital

At 16 April 2004 GCR's issued capital was 185,238,043 ordinary shares, 1,250,000 options exercisable at 12.5 cents by 1.1.06, 3.28 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

This Quarterly was sent by email.

To receive GCR's announcements by email, write down your e-mail address & fax to +612 9482 8488 or email to [info@goldencross.com.au](mailto:info@goldencross.com.au)

Name .....

E-mail address .....

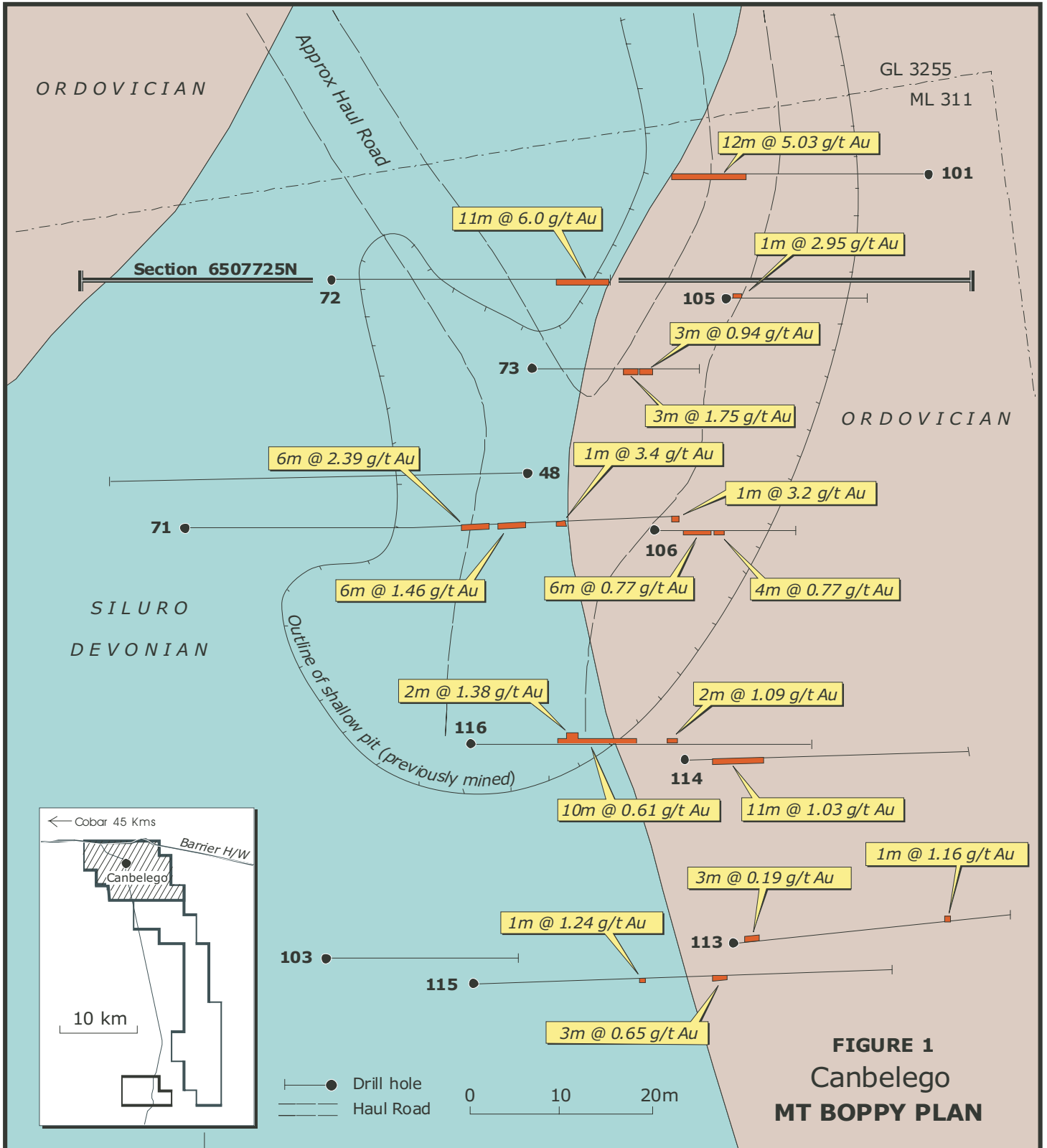
### Website

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

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

### General Enquiries

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



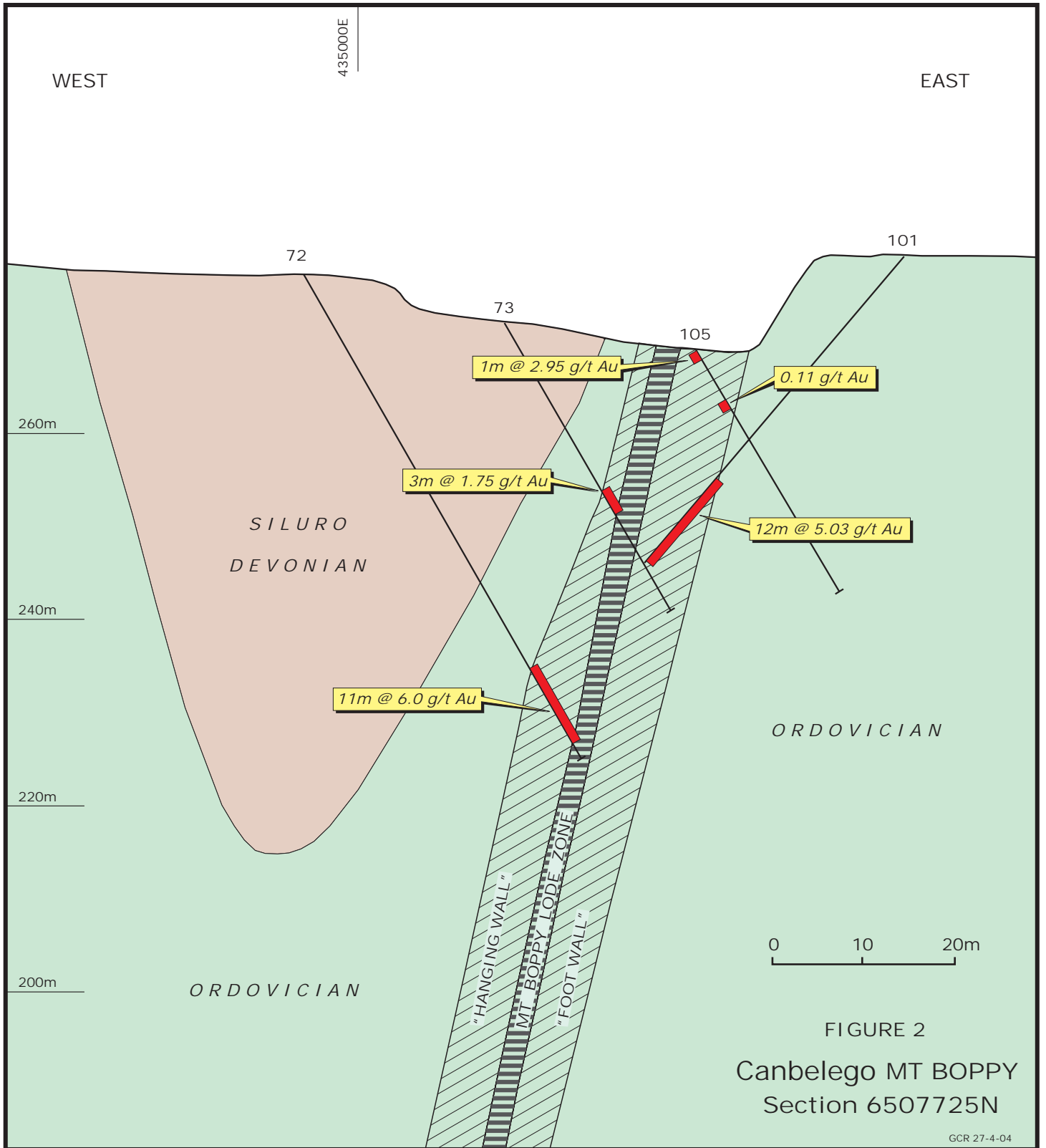
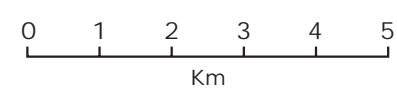
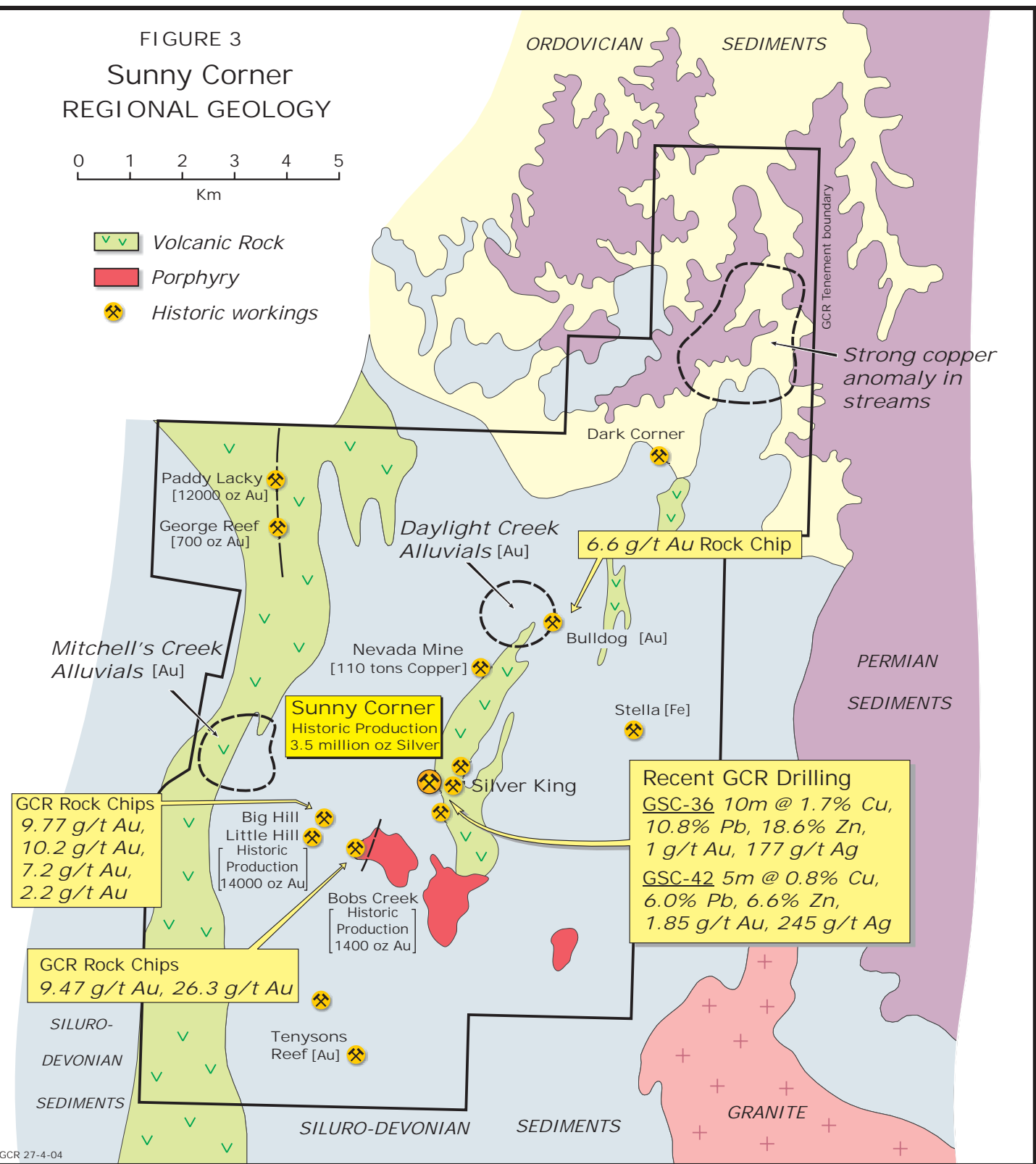


FIGURE 3  
Sunny Corner  
REGIONAL GEOLOGY



- v Volcanic Rock
- Porphyry
- ⓧ Historic workings



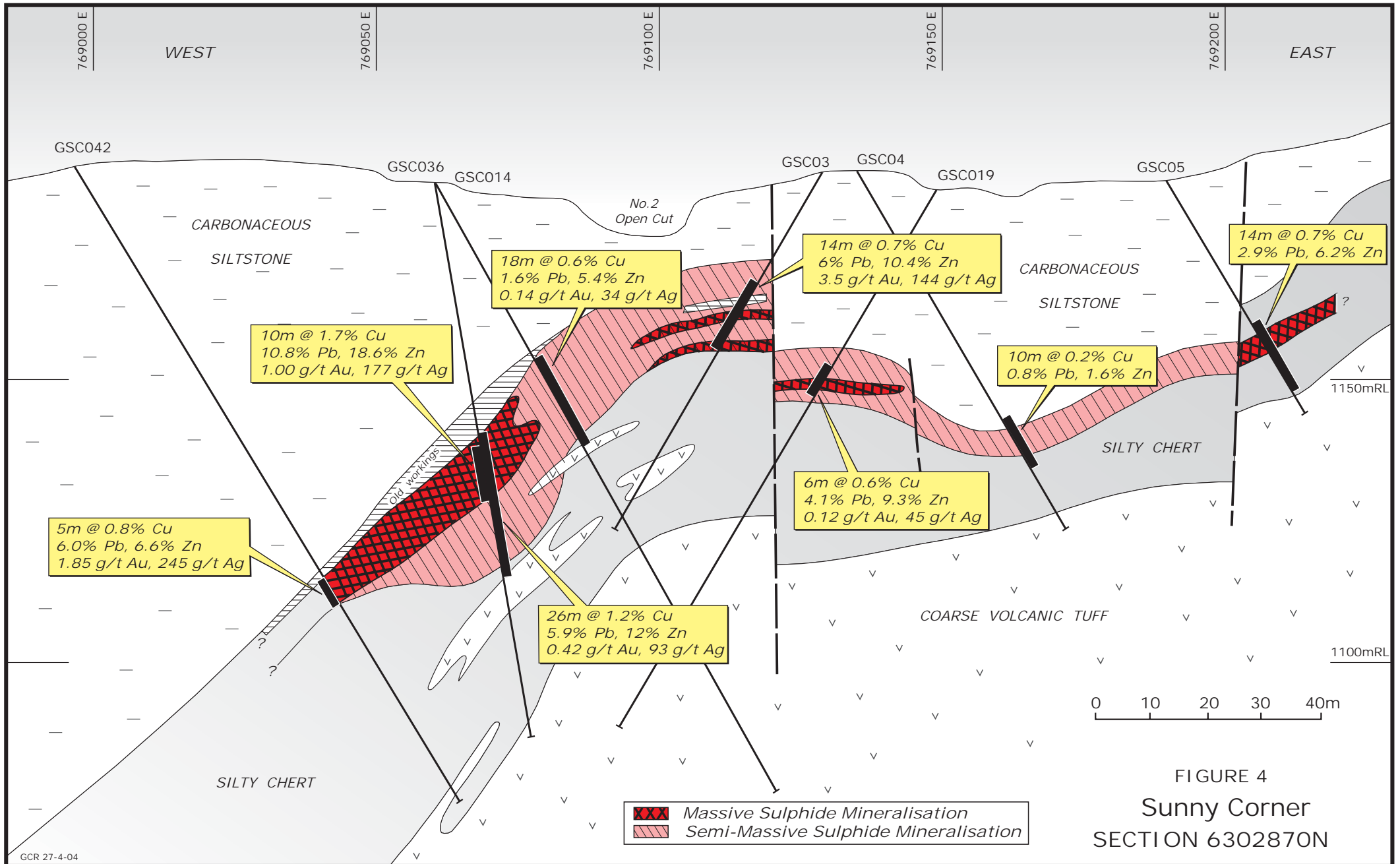


FIGURE 4  
 Sunny Corner  
 SECTION 6302870N

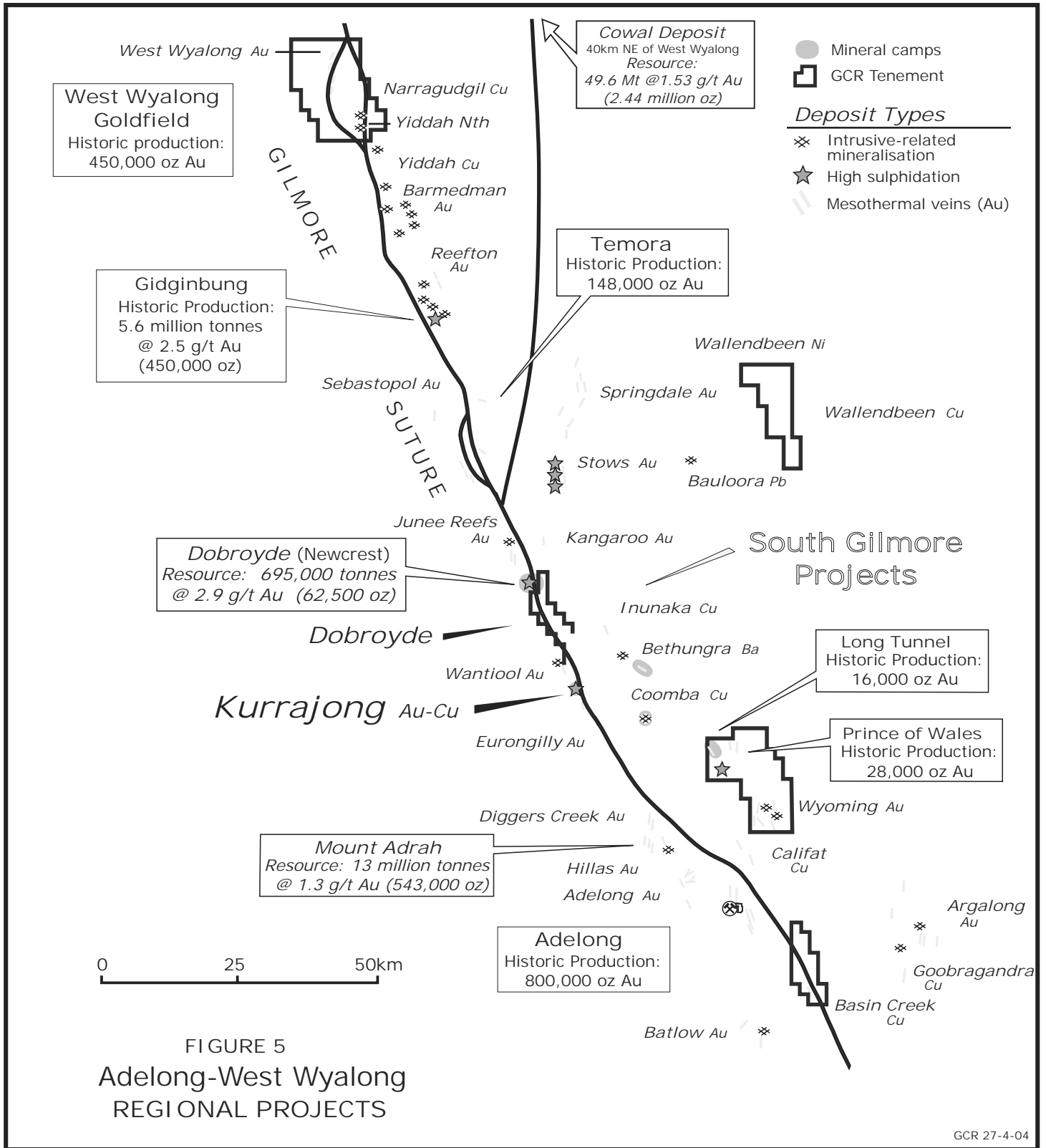


FIGURE 5  
Adelong-West Wyalong  
REGIONAL PROJECTS

