



# GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

## QUARTERLY REPORT

**September 2005**

14 October 2005

### **HIGHLIGHTS**

- Diamond drilling is underway at **Copper Hill** in order to extend RC holes 46, 47 and 52 to between approximately 250 to 300m downhole. In addition, a second drilling rig has commenced drilling 12 additional RC holes for 3,000m, aimed at expanding the gold-copper resource. Copper and gold mineralisation, predominantly hosted in quartz stockwork veins, has now been recognised in drill holes over a 1000m by 600m area. Northwest-trending mineralisation has been expanded by recent drilling and new east-west oriented zones have been discovered.
- The recently discovered **Shades Road** prospect, hosted in volcanic rocks 1.5 km north of Copper Hill is of the same size and orientation as the Western Zone at Copper Hill and is thought to represent the surface expression of a mineralised intrusion buried beneath volcanic rocks.
- On 6 October 2005 GCR released its 2005 Annual Report, now posted at [www.goldencross.com.au](http://www.goldencross.com.au).

### **EXPLORATION PROPERTIES** *(Ranked in order of priority)*

#### **Copper Hill** (near Orange, NSW, 93 sq km, GCR 100%, gold-copper)

Drilling is underway at Copper Hill in order to assess the potential for a large gold-copper porphyry deposit similar in size to Cadia and Northparkes.

Results from RC holes drilled during September were positive, and revealed that areas not tested and considered barren by previous explorers are in fact mineralised. These results are set out in the table below.

During the past two weeks GCR has pushed the envelope of known mineralisation further by deepening holes GCHR046 and 047 using a diamond drill rig. In these two holes mineralisation has been recognised to depths of 233m and 220m respectively. Analytical results are pending. A diamond tail on hole GCHR052 is currently in progress. These holes effectively expand the known extent of the mineralised Western Zone in a southwest direction (Figures 1 and 2).

A review of the geology, geochemistry and geophysics suggests that not only is mineralisation hosted in the northwest-trending Western Zone, but a strong east-west control may also occur along a number of faults. Given the orientation of the historical drilling (NE-SW), any east-west mineralised zones are probably poorly tested by drilling.

In order to assess these, GCR decided this month to drill a number of RC holes in a north-south orientation. In particular GCR wanted to test an induced polarisation anomaly that had a distinct east-west orientation in an area of sparse drilling (Figure 1). The first hole into this anomaly, GCHR56, returned extensive zones of quartz stockwork veins with chalcocite and chalcopyrite mineralisation to a depth of 130m, with weaker mineralisation from 170m to 200m. The second hole in this zone (GCHR57) returned 1 to 2% chalcocite and minor bornite and chalcopyrite from 80m



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to 130m. Results are pending, but on the basis of visual identification, three additional holes have been scheduled to test this new zone.

## Copper Hill Prospect - Significant RC Drill Results, September 2005

Hole No	Easting (MGA)	Northing (MGA)	From (m)	Intersection (m)	Gold (g/t)	Copper (%)	Gold-Eq (g/t)*
GCHR046	674414	6341287	52	128	0.19	0.32	0.89
Incl.			52	50	0.18	0.47	1.22
			118	28	0.30	0.33	1.13
			162	18	0.27	0.39	1.16
GCHR047	674506	6341221	0	180	0.21	0.45	1.25
Incl			76	104	0.24	0.76	1.98
			86	86	0.27	0.86	2.25
			86	14	0.26	1.62	3.99
			112	22	0.40	1.31	3.41
GCHR-48	674638	6341310	40	110	0.09	0.23	0.62
GCHR-50	674588	6341396	36	58	0.59	0.38	1.46
Incl			76	18	1.68	0.88	3.70
GCHR-52	674323	6341340	38	56	0.10	0.36	0.93
Incl			50	20	0.15	0.63	1.60
And			124	12	0.1	1.23	2.93

Note: \* Gold Equiv (Au E g/t) = Au (g/t) + (Cu (%) x 2.3)

GCR aims to systematically test for economic mineralisation to a depth of 200m to 250m below surface. Grade modelling to date suggests that significant potential exists to depths of greater than 200m, to the south and down plunge within the Western Zone (Figure 3). Modelling suggests that mineralisation might extend to depths of 300m to 400m, or 500m down plunge.

In conjunction with the drilling, GCR has commenced detailed geological assessment of the project in order to further develop a model to assist in a revised resource estimate. This is scheduled to commence on completion of drilling.

While GCR has received analytical results from only a small number of holes (see table above), the current drilling program, utilising two drill rigs, has encountered mineralisation in areas not previously thought to be mineralised. In addition, new mineralised structures have been identified. GCR is confident that this work will lead to a considerable enhancement of the resource at Copper Hill.

## Shades Road Prospect

Shades Road lies 1.5 km to the north of Copper Hill and was discovered by GCR geologists following up weak stream sediment geochemical anomalies adjacent to a magnetic high within volcanic rocks. Rock chip sampling and shallow RC drilling (10m to 20m deep holes) indicates a northwest-trending zone of quartz-carbonate veins that host anomalous base metal, molybdenum and gold mineralisation. The veins occur in volcanic rocks intruded by altered dacite porphyry dykes, similar to Copper Hill. The geochemical anomaly that defines this prospect (predominantly copper and gold), is 600m by 200m - 300m and has a northwest orientation similar to Copper Hill. This anomaly might represent another copper-gold mineralised intrusive complex buried at a shallow depth beneath volcanic rocks. It remains open to the northwest and southeast (Figure 4). At present the shallow drill spacing over this prospect is at 100m to 200m centres. GCR plans to conduct infill and step-out shallow drilling in order to better define the anomaly prior to deep drilling.



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## Canbelego

(part of the Pipeline property near Cobar, totalling 216 sq km, GCR 100%, gold and base metals. 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)

GCR will conduct further exploration to follow-up on high-grade gold intercepts previously obtained at Hardwicks, New Haven and Birthday prospects, and for copper mineralisation at Burra Prospect. The next steps in the program will be induced polarisation geophysics (designed to detect sulphides associated with the gold) and drilling.

GCR believes there is potential to discover another Mt Boppy-style deposit (500,000 oz of high grade gold) and that prospects outlined to date exhibit similarities to Mt Boppy. In addition, the copper mineralisation at Burra displays characteristics similar to the CSA copper mine at Cobar, which is currently mining grades of up to 10% copper from depths of 1,400m and have ore grade intercepts down to 2 kilometres.

## McArthur River

(near McArthur River Mine, Northern Territory, NSW, 4,900 sq km, GCR option to acquire 100%, base metals, diamonds, manganese and uranium)

The McArthur River tenements are prospective for base metals, diamonds, manganese, and uranium. GCR has already conducted a number of field programs in an effort to prioritise targets.

In five of the tenements, there are positive indications of diamonds in gravel and loam samples collected in company surveys during the 1980s and early 1990s. Indicator minerals chromite and chrome-diopside have been identified, as have numerous microdiamonds and, in one locality, a macrodiamond. Compared to the southern part of the Batten Fault Zone the tenements have been sparsely sampled, with little attention paid to modern geophysical methods or photo-geological interpretation in the search for kimberlite pipes.

In addition to diamonds, two of the tenements host manganese prospects. One of these, at Rosie Creek, has been drilled over a 900m by 1,200m area and is reported to contain drill intersections with up to 25% manganese in a discontinuous layer 1m to 3m thick at between 10m and 40m depth. No resource has been reported.

To the northwest, within EL 24402, uranium-anomalous springs have developed in close proximity to a particular sandstone unit and a number of airborne radiometric anomalies are yet to be explained.

Field work and research continues, with an emphasis on exploration for manganese oxides and diamonds.

## Broken Hill

(573 sq km, GCR 100%, platinum group metals, gold and base metals.)

With GCR having gained 100% control over 550 square kilometres of ground at Broken Hill, it also inherited an extensive geological and geophysical data package that it will use to explore for Broken Hill-style lead-zinc-silver, iron oxide copper-gold and platinum group elements (PGEs) associated with nickel-copper sulphides.

An electromagnetic survey in the vicinity of the Moorkaie platinum prospect failed to produce anomalous results.



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GCR plans to continue its focus on nickel-copper-platinum-palladium style, massive sulphide mineralisation. GCR is examining farm-in proposals from a number of major mining companies.

## Yellow Mountain

(North of Condobolin, NSW, 365 sq km, 70% Triako Resources (manager) and 30% GCR, gold, silver, base metals)

The Triako Resources 2005 Annual Report states that:

- Follow-up RC drilling intersected interesting grades of gold mineralisation (up to 1m at 5.52 g/t gold) in a granitic intrusion at the Fountaindale prospect. Subsequent diamond drilling produced results such as:
  - 0.80m at 9.05 g/t gold from 71.0m down hole;
  - 0.73m at 12.6 g/t gold from 75.7m down hole; and
  - 1.00m at 5.03 g/t gold from 135m down hole.
- Further aircore drilling tested six anomalous magnetic structures that bear similarities to the Melrose Magnetic Anomaly. Elevated gold, copper and arsenic mineralisation was intersected and interpretation of the data is continuing.

## Trewilga-Parkes

(near Forbes-Parkes, NSW, 181 sq km, GCR 100%, gold. Elephant Mines holds a 2% net smelter return royalty over 52 sq km Trewilga licence)

GCR's exploration licence covers much of the Parkes-Forbes gold belt, which historically produced over 1 million ounces of gold. The proposed aircore drilling program has been postponed until local crops have been harvested in early 2006.

## Cargo

(480 sq km, GCR 100%, copper and gold) (AEI may earn a 70% interest in the Belubula licence by spending \$3.1 million on exploration within four years)

GCR is examining farm-in proposals from a number of mining companies. Cargo is prospective for copper and gold.

## Belubula

Farm-in partner Agricultural Equity Investments will shortly commence field work on newly granted EL 6466 under a farm-in arrangement whereby it may earn a 70% interest by spending \$3.1 million within four years, with a minimum expenditure of \$100,000 in the first year.

## Adelong

(near Tumut, NSW, 836 sq km, GCR 100%, gold)

Studies are underway to assess project economics based on the increased resource of 134,000 ounces of gold at 2.22 g/t gold, details of which are set out on page 12 of the Company's 2005 Annual Report, available at [www.goldencross.com.au](http://www.goldencross.com.au)

## Kempfield

(near Blayney, NSW, 120 sq km, GCR 100% silver, barite, lead, zinc, gold)

Previous economic studies on the large silver resource are under review in light of recent increases in the price of silver. The plan, as indicated in the Chairman's Letter in GCR's 2005 Annual Report, is that once Adelong is in operation Challenger



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Mines Ltd will examine the options for and feasibility of developing Kempfield's large silver and barite resource.

**Sunny Corner** (near Lithgow, NSW, 110 sq km, GCR 100%, gold, silver and base metals)

GCR is reviewing expressions of interest received from a number of companies for this property, which is prospective for gold, silver and base metals and on which a small resource has already been delineated.

**Wagga Tank** (near Cobar, NSW, 163 sq km, GCR 100%, gold and base metals)

Follow-up drilling at the BMW prospect is scheduled to take place early in 2006.

## **ROYALTIES**

The latest on some of GCR's five royalties is as follows:

### **Mt Boppy**

The first delivery of gold to GCR's metal account by Polymetals under the 3% outturn royalty from production at Mt Boppy is due in October 2005. Around 140 ounces is expected to be delivered to GCR during October-December 2005.

Although mining operations ceased at Mt Boppy during July, the parties hope that sufficient gold resources will be delineated by recent drilling undertaken by Polymetals to warrant mining of a deeper, larger pit. The minimum royalty payable to GCR over the next few years under the royalty agreement is 750 ounces of gold, of which 5% is payable by GCR to Nosebi Mining and Management Pty Ltd however this figure could increase if mining operations are resumed at Mt Boppy.

### **Wyoming One**

Alkane Exploration Ltd is currently completing a pre-feasibility study to determine the viability of developing its Wyoming One gold resource near Tomingley, NSW.

Details of the royalty, up to 5% nsr, are on page 13 of GCR's 2005 Annual Report.

### **BrightStar**

A1 Minerals Limited's Brightstar Alpha gold zone now extends for at least 2 km having completed a detailed drilling programme with holes drilled on a 15m by 20m pattern. A resource estimate is due for completion by the end of October.

A1 Minerals is aiming to have both the BrightStar Alpha and Beta areas in production in 2006. Details of the 2% gross royalty are on page 13 of GCR's 2005 Annual Report.

### **Excellence in Exploration and Mining Conference**

GCR holds a 20% non-participating interest and a 3% gross royalty in the Excellence in Exploration and Mining Conference, to be held at the Sofitel Wentworth Hotel in Sydney, this Monday and Tuesday 17 and 18 October 2005 with an impressive list of speakers (see [www.miningevents.com.au](http://www.miningevents.com.au) ).

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.*



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## 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

### Registered and Principal Office

22 Edgeworth David Avenue  
Hornsby NSW 2077 Australia  
Ph +612 9482 8833  
Fax +612 9482 8488  
Email [info@goldencross.com.au](mailto:info@goldencross.com.au)

### Number of Shareholders

At 29 August 2005 GCR had 1,529 shareholders.

### Major Shareholders

The share register records the following as major shareholders at 30 June 2005.

	%
1. David Timms	7.31
2. Metallic Resources Pty Ltd	2.55
3. John Dennis Quirk	2.31
4. Aurcay Holdings Inc	2.12
5. Golden Cross Plan Managers	2.07
6. Forbar Custodians Ltd	1.79
7. Erwin John Clayton	1.54
8. Sipa Resources International	1.38
9. Central Exchange Limited	1.38
10. Robert Cameron Galbraith	1.29
11. Cyprus Amax Australia	1.24
12. Tasman Management Ltd	1.20
13. Arnold and Ruth Getz Super Fund	1.16
14. ANZ Nominees Ltd Cash Income A/C	1.03

### Cash Balance

At 31 August 2005 GCR's cash balance was approximately \$1.35 million.

### ASX Listing Code

The Company's ASX listing code is GCR.

### Issued Capital

At 29 August 2005 GCR's issued capital was 216,703,532 ordinary shares, 1,250,000 options exercisable at 12.5 cents by 1.1.06, 3.79 million employee options exercisable at 10 cents by 20.7.2010 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: +612 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 .....

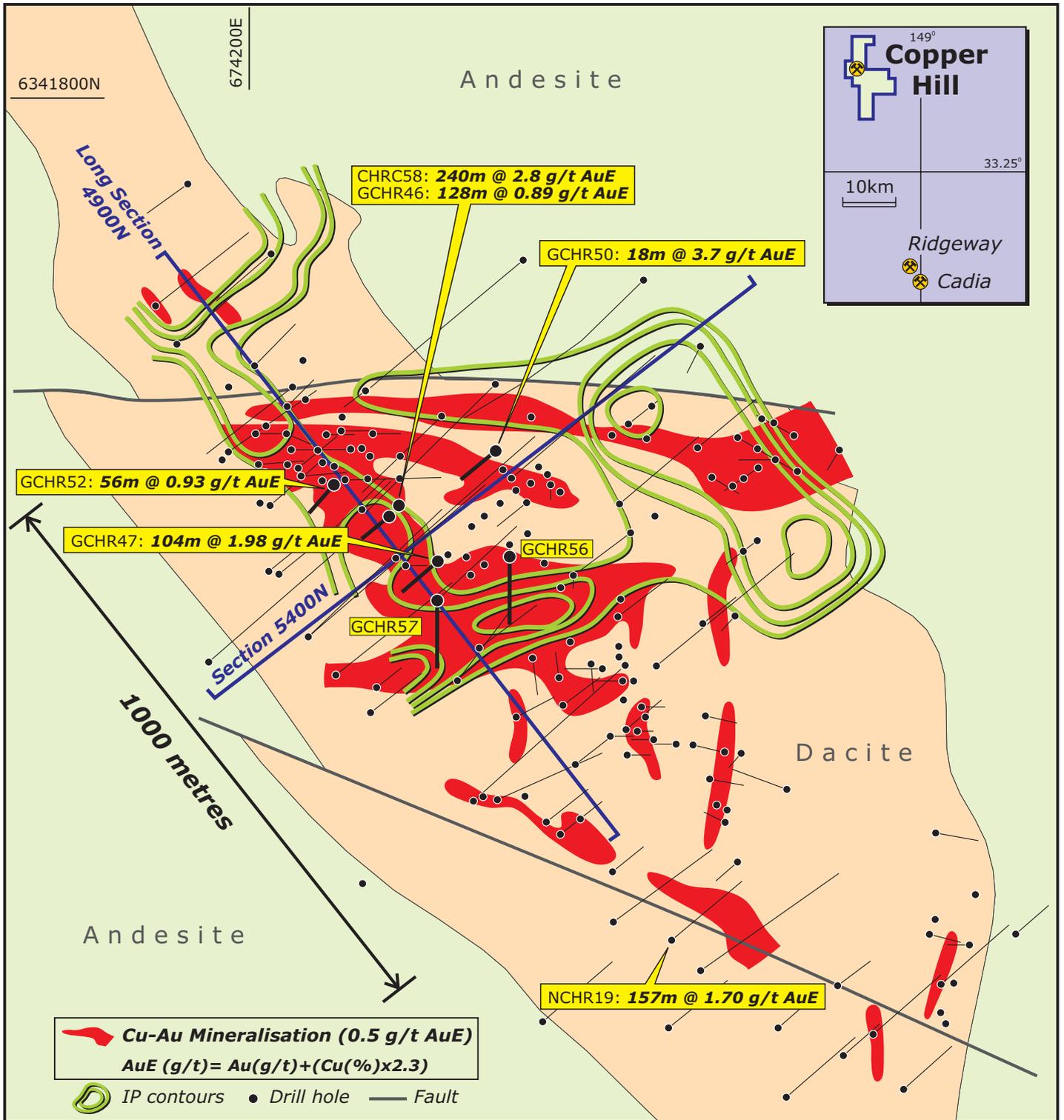
### Website

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

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

### General Enquiries

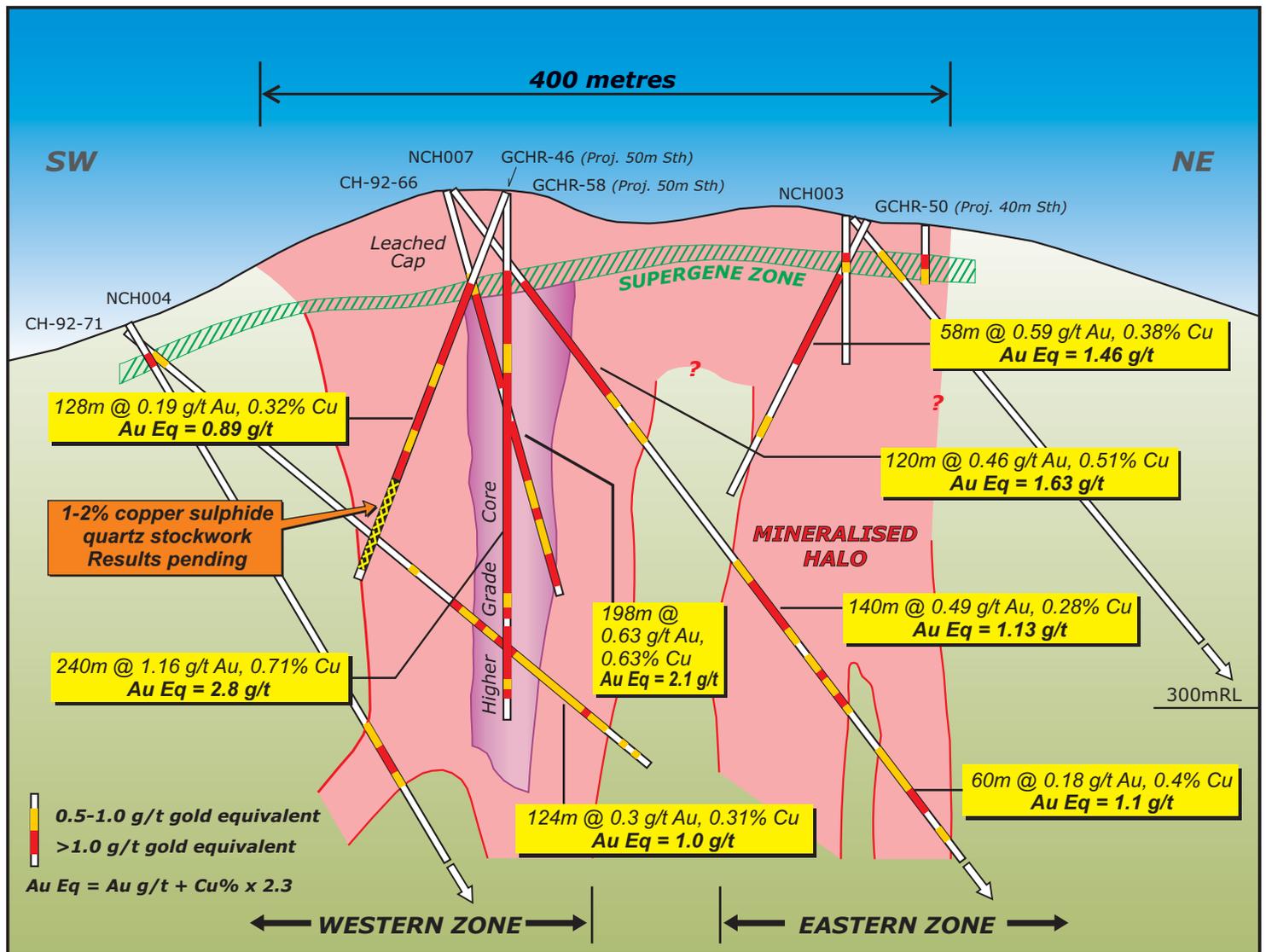
Contact David Timms or Chris Torrey at the principal office: phone +612 9482 8833



GCR 10-10-05

# Copper Hill Mineralisation

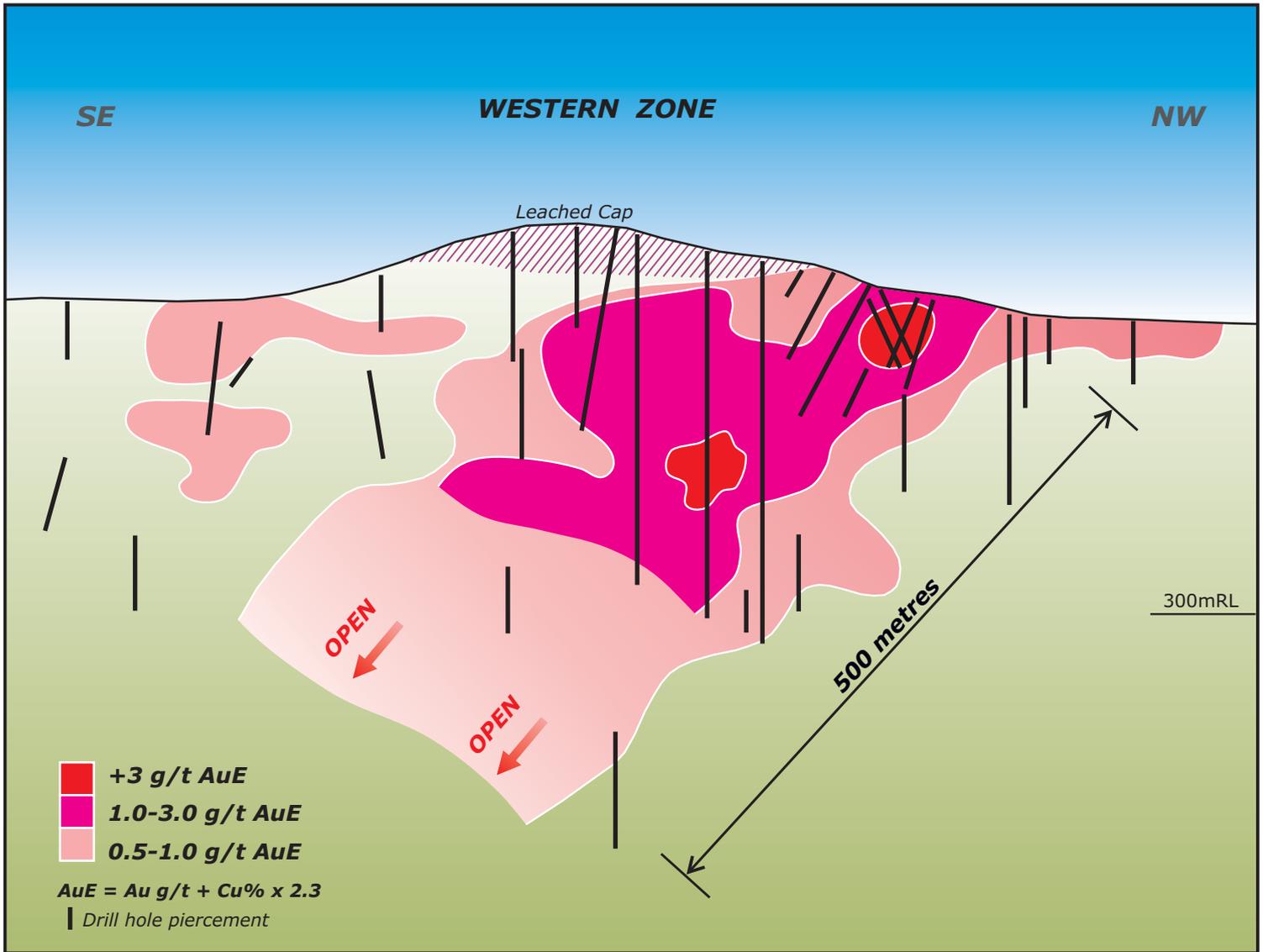
FIGURE 1



GCR 10-10-05

**Copper Hill Section 5400N**

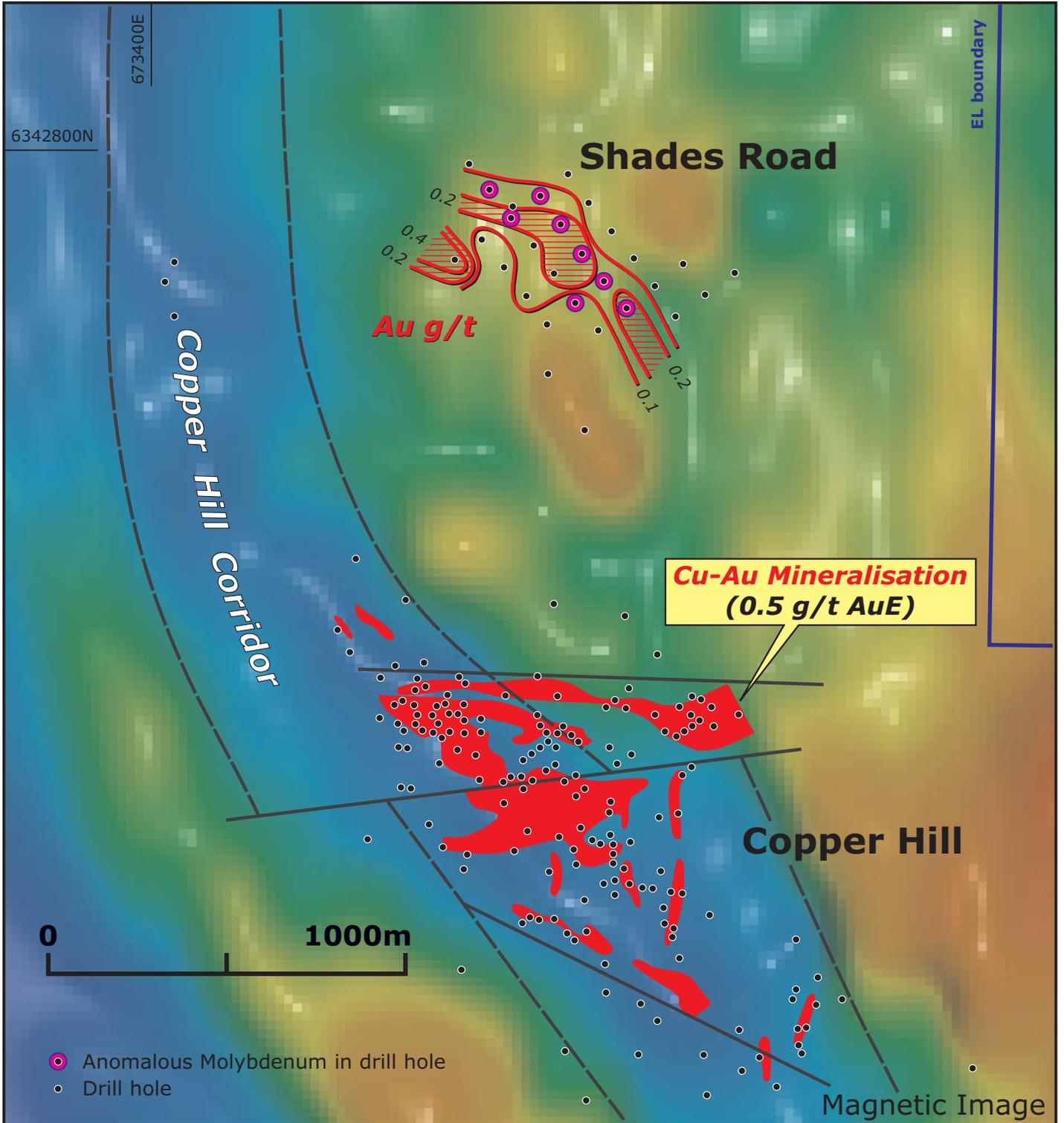
**FIGURE 2**



GCR 10-10-05

Copper Hill **Longitudinal Section 4900E**

FIGURE 3



GCR 10-10-05

Copper Hill-Shades Road

FIGURE 4