



QUARTERLY REPORT

March 2006

13 April 2006

HIGHLIGHTS

- In results just received from Copper Hill:
 - RC holes 85 – 87 in the Western Zone each returned 200m intercepts collectively averaging 0.21 g/t gold and 0.24% copper from surface, confirming and extending copper-gold mineralisation to the north of the Copper Hill prospect;
 - The diamond tail on hole 50 in the Eastern Zone returned 24m at 0.65 g/t gold and 0.55% copper from 234m, with the entire hole averaging 344m at 0.20 g/t gold and 0.18% copper from surface; and
 - Shallow RC drilling results indicate potential extensions to the Copper Hill mineralised envelope 150m to the north and 400m to the northwest.
- Consistent broad intercepts of copper-gold mineralisation were received from most holes drilled at Copper Hill, where four drill rigs are presently operating on site. The 17,000m drilling program is now 50% complete, with assays received for 25% of the program.
- Broken Hill Joint Venture formed with JOGMEC, the exploration arm of the Government of Japan, over the northern part of the Company's large Broken Hill exploration licence. The joint venture will focus on exploring for nickel-platinum group metals accumulations.

CORPORATE

Rights Issue

The Company's rights issue closed oversubscribed, raising \$4.8 million, principally for work at Copper Hill. The shares and options were issued in January 2006.

Focus

GCR holds a number of tenements throughout the Lachlan Fold Belt of NSW and in the Curnamona Province of western NSW and holds an option to acquire tenements in the McArthur Basin in the Northern Territory. Each of these areas has potential to host an orebody however, as GCR concentrates on Copper Hill, its strategy is to accelerate the rate of exploration by bringing in joint venturers on its other properties, including Kempfield, Wagga Tank, Pipeline, Cargo, West Wyalong, Breadalbane, Parkes and Sunny Corner, all with established drill targets.

GCR intends to grow by advancing its properties and acquiring mineral projects that have potential to add to the Company's value.

Change of Management

David Timms stepped down from his role as Managing Director to a role as a Non-executive Director and Consultant to the Company effective 28 February 2006 and Kim Stanton-Cook joined the Company as Managing Director on 1 March 2006. In addition, during February 2006 Chris Torrey stepped down as Director-Exploration to a role as a Non-executive Director and Consultant to the Company.



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ABN 65 063 075 178

EXPLORATION PROPERTIES *(Ranked in order of priority)*

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

With \$4.8 million raised in January 2006 from its partially-underwritten rights issue, GCR is focusing most of its attention on its 100%-owned, large, low-grade Copper Hill porphyry-related copper-gold project.

Four drill rigs are presently completing infill drilling within the known deposit, testing for potential extensions and seeking new targets beneath cover as part of a 17,000m core and reverse circulation ("RC") drilling program. Work is in progress to define an interim JORC-compliant Inferred and Indicated Resource for release during April.

A Scoping Study, based on the new Resource figures, will establish all parameters required to commence a Pre-feasibility Study.

The drilling program will continue into June – July 2006, with potential to create extensions to known mineralisation and for the discovery of new mineralisation. Drilling during the June 2006 quarter will include programs targeting the Larras Lee and Wattle Hill prospects (Figure 1).

Copper Hill is adjacent to the Mitchell Highway, about 5 km north of the town of Molong in NSW. The project is approximately 35 km from the regional centre of Orange and 45 km from the Cadia - Ridgeway gold-copper mines owned and operated by Newcrest Mining Ltd. Both Cadia-Ridgeway and Copper Hill are located within the Molong Volcanic Belt, a north-south trending complex of volcanic and intrusive rocks of Ordovician age.

The Copper Hill deposit has a number of attributes that provide additional encouragement for the project:

- it is close to well-established infrastructure in Molong;
- a rail line and major highway run through the project area;
- it has potentially low stripping ratios;
- early metallurgical results indicate potential for high recoveries, yielding premium copper concentrates; and
- there is broad community support for mining in the district.

Potential exists in the current metals price environment to establish a large, bulk-tonnage mining operation at Copper Hill and every effort is being made to achieve this.

Drilling Results

During the quarter GCR received results for a further 20 holes drilled at Copper Hill (hole numbers 50, and 69 to 87 inclusive), including results just received for four holes (50 and 85 - 87). Results are set out in the tables below, and the areas tested are shown in Figure 1.

Since the beginning of January 2006 a total of approximately 1,290m of diamond, and 7,180m of RC, drilling has been completed in 40 holes. Results are pending for 20 holes. An additional 1,700m of shallow RC drilling has also been completed in 110 holes. Results are pending for 30 of these holes.



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The drilling continues to extend the known mineralised envelope at Copper Hill. The following summaries are divided into previously unreported results and reported results, and into Eastern Zone, Western Zone and Saddle Zone.

Previously Unreported Results

Eastern Zone

Hole 50, previously reported to 180m as an RC hole, was deepened to 344m by diamond coring. The entire hole averages 344m at 0.20 g/t gold and 0.18% copper from surface, including higher-grade zones such as 18m at 1.68 g/t gold and 0.88% copper from 76m, and 24m at 0.65 g/t gold and 0.55% copper from 234m. It infills an untested zone and confirms continuity of mineralisation in this part of the Eastern Zone.

Western Zone

Previously unreported holes 85 - 87 were drilled near the old open pit at the Copper Hill prospect (Figure 1) and have confirmed and extended copper-gold mineralisation in this portion of the deposit. All three holes intersected 200m intervals from surface collectively averaging 0.21 g/t gold and 0.24% copper. See table below.

Copper Hill, March 2006 Quarter RC/Core Drilling Results – Not Previously Reported

| Hole | MGA East | MGA North | Azimuth | Dip | From (m) | Interval (m) | Gold (g/t) | Copper (%) |
|----------------------|----------|-----------|---------|-----|-------------|--------------|------------|------------|
| Eastern Zone: | | | | | | | | |
| GCHR-50 | 674573 | 6341404 | 231 | -65 | 0 | 344 | 0.20 | 0.18 |
| | | | | | <i>incl</i> | 76 | 1.68 | 0.88 |
| | | | | | <i>incl</i> | 182 | 0.17 | 0.38 |
| | | | | | <i>incl</i> | 234 | 0.65 | 0.55 |
| Western Zone: | | | | | | | | |
| GCHR-85 | 674319 | 6341330 | 0 | -90 | 0 | 200 | 0.18 | 0.30 |
| | | | | | <i>incl</i> | 22 | 0.39 | 0.45 |
| | | | | | <i>incl</i> | 78 | 0.22 | 0.44 |
| | | | | | <i>incl</i> | 104 | 0.43 | 0.78 |
| GCHR-86 | 674348 | 6341445 | 50 | -60 | 0 | 200 | 0.22 | 0.27 |
| | | | | | <i>incl</i> | 120 | 0.51 | 0.61 |
| GCHR-87 | 674333 | 6341443 | 230 | -60 | 0 | 200 | 0.24 | 0.17 |
| | | | | | <i>incl</i> | 48 | 0.85 | 0.09 |
| | | | | | <i>incl</i> | 80 | 0.84 | 0.50 |
| | | | | | <i>incl</i> | 144 | 0.33 | 0.47 |

Note: Results shown above represent the weighted average of 1m or 2m down-hole composites of half HQ or NQ diamond core, or two metre RC chip samples. Diamond core recovery is in excess of 90% and core was cut using a core saw. RC chips were either spear-sampled or riffle-split prior to despatch to the laboratory.

Copper Hill North

Shallow RC drilling at Copper Hill North returned anomalous results as presented in the table below. These results indicate potential extensions to the Copper Hill mineralised envelope of 400m to the northwest and by a 150m by 200m-wide lobe in the central-north of the deposit, northwest of Boundary (Figure 1).



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Copper Hill North Prospect Shallow RC Drilling Results – Not Previously Reported

| Hole | MGA East | MGA North | Azimuth | Dip | From (m) | Interval (m) | Gold (g/t) | Copper (%) |
|--------|----------|-----------|---------|-----|----------|--------------|------------|------------|
| CHN054 | 674255 | 6341727 | 0 | -90 | 0 | 22 | 0.18 | 0.08 |
| CHN059 | 674284 | 6341618 | 0 | -90 | 0 | 7 | 0.14 | 0.11 |
| CHN062 | 674185 | 6341673 | 0 | -90 | 0 | 19 | 0.19 | 0.09 |
| CHN067 | 674704 | 6341566 | 0 | -90 | 0 | 7 | 0.15 | 0.14 |
| CHN071 | 674857 | 6341556 | 0 | -90 | 0 | 16 | 0.42 | 0.15 |
| CHN072 | 674899 | 6341580 | 0 | -90 | 0 | 25 | 0.17 | 0.13 |
| CHN079 | 674983 | 6341798 | 0 | -90 | 0 | 18 | 0.24 | 0.02 |

Note: Results shown above represent the weighted average of 1m down-hole composites of RC chip samples. RC chips were spear-sampled prior to despatch to the laboratory.

Previously Reported Results

Saddle Zone

Hole 69 (see table below) was designed to test for a north or north western extension of the Saddle Zone and successfully returned 160m at 0.63 g/t gold and 0.47% copper.

Hole 71 was a diamond drill hole designed to test approximately 40m to 50m above holes 58 and 64, which returned intersections of 86m at 1.32 g/t gold and 0.65% copper; and 129m at 1.8 g/t gold and 0.79% copper, respectively. An intersection of 114m at 0.35 g/t gold and 0.35% copper was returned.

Hole 72 was designed to test 40m - 50m below holes 58 and 64 in the Saddle Zone, both of which returned higher-grade intersections than are normally encountered at Copper Hill. Hole 72 failed to extend the high grade zone at depth.

Hole 73 was drilled to test an area 170m southwest of the Saddle Zone and returned broad zones of copper-gold mineralisation.

Hole 74 was drilled to 200m using RC methods and then from 200m to 300m using diamond drilling methods. Results are awaited for the diamond portion of the hole, which hosts visible, moderate copper mineralisation in quartz stockwork veins and disseminations from 220m to the end of the hole.

Hole 78 was designed to test the western extent of the Saddle Zone and encountered stockwork quartz veins from 20m to 80m. The hole also returned a broad zone of mineralisation.

Western Zone

Hole 75 was designed to test the south western extent of the Western Zone and encountered mineralisation over a 44m interval.

Hole 77 was drilled to 200m downhole using RC methods. Results are awaited for the diamond tail, targeting the Western Zone from 220m to 270m downhole.

Hole 80 was designed to test the southwest extent of the Western Zone and intersected almost 70m of chalcocite-dominated copper mineralisation, with minor gold.

Eastern Zone

Holes 83 and 84, testing the Eastern Zone approximately 100m to the northeast of the old Copper Hill open-cut mine, intersected broad zones (over 100m in hole 83) of chalcopryrite-rich mineralisation. Hole 84 ended in mineralisation at 200m.



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Copper Hill, March 2006 Quarter RC/Core Drilling Results – Previously Reported

| Hole | MGA East | MGA North | Azimuth | Dip | From (m) | Interval (m) | Gold (g/t) | Copper (%) |
|----------------------|----------|-----------|---------|-----|-------------|--------------|------------|------------|
| Saddle Zone: | | | | | | | | |
| GCHR-69 | 674582 | 6341245 | 50 | -60 | 28 | 160 | 0.63 | 0.47 |
| | | | | | <i>incl</i> | 58 | 1.02 | 0.90 |
| | | | | | <i>incl</i> | 166 | 1.03 | 0.77 |
| GCHR-71 | 674696 | 6341251 | 180 | -60 | 0 | 114 | 0.35 | 0.35 |
| | | | | | <i>incl</i> | 22 | 0.44 | 0.57 |
| | | | | | <i>incl</i> | 86 | 0.29 | 0.36 |
| GCHR-72 | 674681 | 6341344 | 180 | -60 | 23 | 6 | 0.11 | 0.33 |
| | | | | | and | 75 | 0.07 | 0.30 |
| | | | | | and | 95 | 1.90 | 0.24 |
| GCHR-73 | 674562 | 6341207 | 180 | -60 | 0 | 38 | 0.39 | 0.03 |
| | | | | | and | 60 | 0.26 | 0.25 |
| GCHR-74 | 674508 | 6341226 | 50 | -65 | 46 | 50 | 0.32 | 0.34 |
| | | | | | and | 122 | 0.28 | 0.53 |
| GCHR-78 | 674688 | 6341243 | 232 | -60 | 24 | 90 | 0.25 | 0.30 |
| | | | | | <i>incl</i> | 24 | 0.37 | 0.51 |
| | | | | | and | 172 | 0.36 | 0.30 |
| Western Zone: | | | | | | | | |
| GCHR-75 | 674416 | 6341209 | 230 | -70 | 58 | 44 | 0.12 | 0.54 |
| GCHR-76 | 674490 | 6341149 | 230 | -70 | 76 | 26 | 0.21 | 0.38 |
| GCHR-77 | 674594 | 6341226 | 238 | -70 | 0 | 200 | 0.23 | 0.35 |
| | | | | | <i>incl</i> | 52 | 0.23 | 0.44 |
| | | | | | <i>incl</i> | 52 | 0.19 | 1.48 |
| GCHR-80 | 674448 | 6341174 | 232 | -65 | 80 | 68 | 0.16 | 0.52 |
| Eastern Zone: | | | | | | | | |
| GCHR-83 | 674458 | 6341489 | 230 | -80 | 88 | 108 | 0.23 | 0.33 |
| GCHR-84 | 674510 | 6341448 | | -90 | 160 | 40* | 0.30 | 0.48 |

Note: Results shown above represent the weighted average of one or two metre down-hole composites of half HQ or NQ diamond core, or two metre RC chip samples. Diamond core recovery is in excess of 90% and core was cut using a core saw. RC chips were either spear-sampled or riffle-split prior to despatch to the laboratory.

Further Drilling

Drilling is ongoing, with four drill rigs currently in operation on site. At the main Copper Hill prospect results are awaited for a further seven holes, at the Saddle Zone two holes, at Wattle Hill one hole, at Boundary four holes, and at Shades Road four holes.

During follow-up drilling of an historic drill hole at Wattle Hill, hole 97 has encountered copper sulphide-bearing quartz-magnetite vein stockwork mineralisation from 128m to the end of hole at 150m. Assays are pending. Seven more holes have been planned to assess the Wattle Hill area.

The average depth of holes in the program is approximately 200m.

The drilling program is 50% complete, with assay results received for 25% of the program.



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Metallurgy

Quarter core from four intercepts in hole 64 at Copper Hill were combined into a single composite sample and the metallurgical response, to a standard reagent using three grind sizes, was determined. The Company's metallurgical consultant reported that all three tests gave excellent results and set out the following conclusions:

1. The chalcopyrite – quartz stockwork bulk composite is highly amenable to conventional copper flotation;
2. High copper and gold recoveries were obtained in rougher flotation at a coarse grind of 150 microns, yielding 97% copper and 92% gold;
3. Regrinding of the rougher concentrate was necessary for effective cleaning;
4. Progressively finer concentrate grinds give higher copper concentrate grades, with minimal loss of copper recovery and around 3% reduction in gold recovery; and
5. While not optimised, commercial grades of copper concentrate can be made by regrinding to 35 microns, with copper recoveries being maintained above 95%.

It should be noted that the composite sample above represents only one mineralisation type of the several present at Copper Hill. Additional work has now been commissioned on the original samples making up the composite from hole 64, which will provide recovery data for a range of high and low grade chalcocite and chalcopyrite samples with variable bornite and pyrite ratios.

GCR has commenced additional sampling for metallurgical testing and baseline environmental and heritage studies are underway.

Aerial photography has been completed and initial orthophoto maps delivered. Digital terrain modelling is underway.

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)

Programs on this project have been deferred until the second quarter of 2006 while the Company focuses on Copper Hill.

Broken Hill

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

As announced on 29 March 2006, GCR has reached agreement with JOGMEC, the exploration arm of the Government of Japan, for JOGMEC to farm-in to the northern area of Golden Cross' Broken Hill property, prospective for nickel-platinum group metals (PGM) accumulations.

Under the terms of a Letter of Intent between the companies, JOGMEC may earn a 51% interest in the 27-unit area by spending \$2 million on exploration by 28 February 2010. JOGMEC must spend \$200,000 on exploration by 28 February 2007 before it may withdraw from the agreement. JOGMEC may earn a 25.5% interest by spending \$1 million on exploration by 28 February 2009, however this interest will be forfeited if JOGMEC withdraws prior to assigning its interest to a JOGMEC nominee or earning a 51% interest.

GCR has agreed to act as operator of the joint venture during the initial farm-in phase.



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Golden Cross is pleased to have JOGMEC as a joint venturer at Broken Hill, and as operator will assist JOGMEC in its endeavours to discover a nickel-PGM resource along the ultramafic belt, stretching from Moorkaie to Mulga Springs, in the farm-in area.

The Moorkaie electromagnetic anomaly is likely to provide the first drill target for the joint venture, and a deep drilling program has been planned.

McArthur River

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

A detailed photogeologic interpretation of the prospective Northern Territory tenements has been completed. This work has identified favourable structural and stratigraphic settings for diamondiferous kimberlite emplacement. Field evaluation of these target areas, in conjunction with radiometric readings and base metal sampling, is due to commence in July 2006.

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 over time has produced over 1 million ounces of gold.

Four RC holes for 414m were completed during the quarter. Results are awaited.

Adelong

(near Tumut, NSW, 1,107 sq km, GCR 100%, gold)

GCR is well advanced with plans to sell the Adelong Gold Project. A sale document is being prepared by a specialist group retained by the Company and this will be provided to selected parties during the June Quarter 2006.

ROYALTIES

Details of GCR's five royalties are set out on page 13 of the 2005 Annual Report, available at www.goldencross.com.au

Mt Boppy Royalty

Production from Mt Boppy is nearing completion, and Polymetals is reviewing the economics of deepening the pit in order to resume gold production in 2006.

Golden Cross' minimum royalty entitlement is 750 ounces, payable at a rate of 50 ounces per month in the event that production ceases for a period of 6 months. Approximately 150 ounces have been received to date, prior to production ceasing in January 2006.

KIM STANTON-COOK, MANAGING DIRECTOR

This report was prepared by Kim Stanton-Cook, Managing Director and full time employee of Golden Cross Resources Ltd, who is a Member of the AIG 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 |
| Kim Stanton-Cook | Managing Director |
| David Timms | Director |
| Kerry McHugh | Director |
| Chris Torrey | Director |
| Daven Timms | Alternate Director & Company Secretary |

Registered and Principal Office

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Number of Shareholders

At 22 March 2006 GCR had 1,666 shareholders.

Major Shareholders

The share register records the following as major shareholders at 22 March 2006.

| | % |
|-----------------------------------|------|
| 1. HSBC Custody Nominees GSI ECSA | 7.87 |
| 2. Westpac Custodian Nominees | 6.88 |
| 3. HSBC Custody Nominees (Aus) | 5.65 |
| 4. Mr John Quirk | 2.22 |
| 5. Golden Cross Plan Managers | 1.97 |
| 6. Peter David Timms | 1.89 |
| 7. HSBC Custody Nominees GSI ECSA | 1.85 |
| 8. Robert Cameron Galbraith | 1.72 |
| 9. Metallic Resources Pty Ltd | 1.55 |
| 10. David Timms | 1.29 |
| 11. Aurcay Holdings Inc | 1.29 |
| 12. Jennifer Anne Timms | 1.12 |
| 13. Dr Leon Eugene Pretorius | 1.12 |

Cash Balance

At 31 March 2006 GCR's cash balance was approximately \$3.9 million.

ASX Listing Code

The Company's ASX listing code is GCR.

Issued Capital

At 13 April 2006 GCR's issued capital was 356,634,251 ordinary shares, 108,160,451 options exercisable at 5 cents by 30.9.06, 3,505,000 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

Name

E-mail address

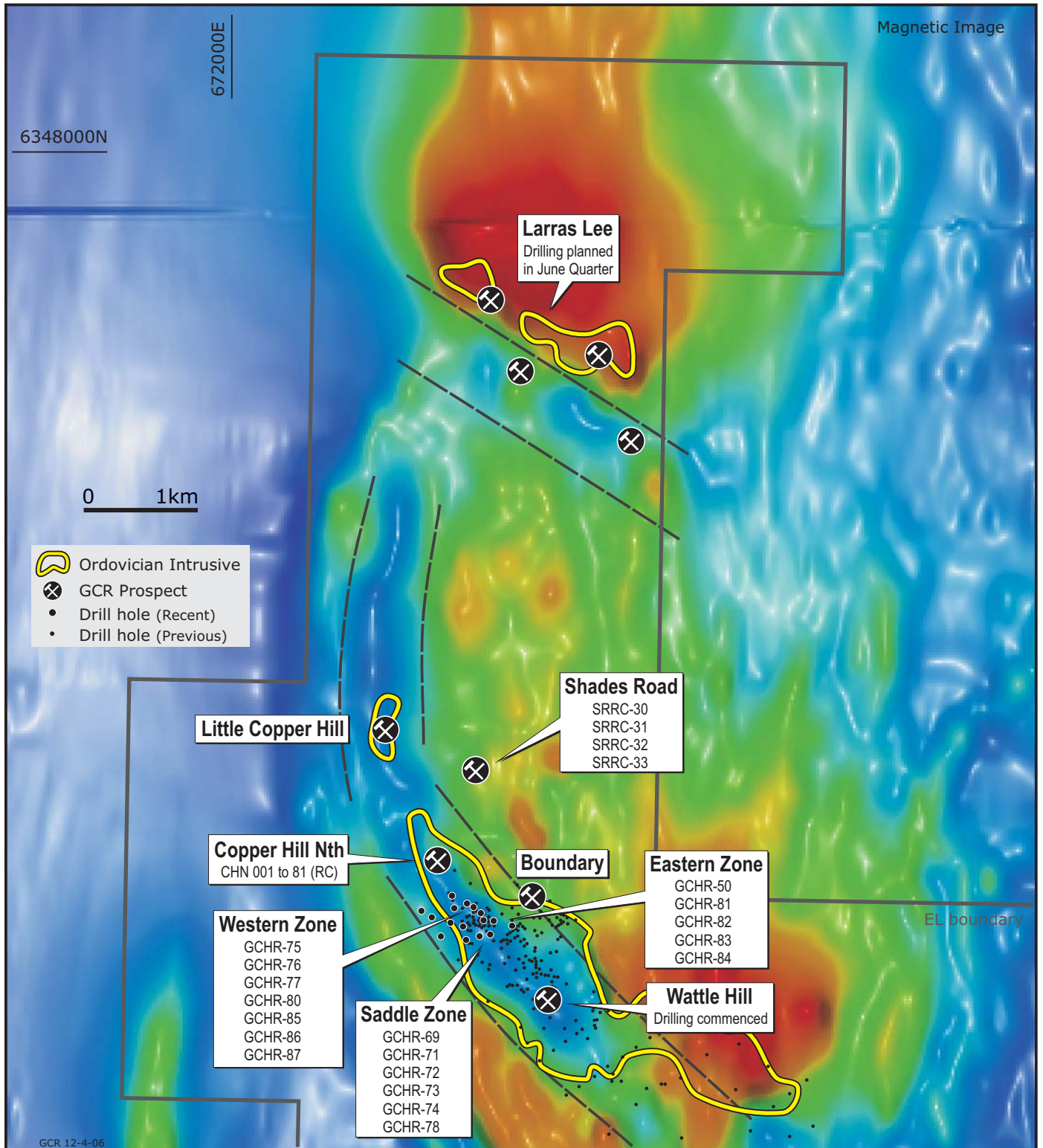
Website

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

www.goldencross.com.au

General Enquiries

Contact Kim Stanton-Cook at the principal office: phone +612 9482 8833.



COPPER HILL : March Quarter Drilling
Figure 1