



## QUARTERLY REPORT

**March 2007**

24 April 2007

### HIGHLIGHTS

- Drilling at Copper Hill since September 2006 has confirmed the previous resource estimate and has resulted in a small increase in the tonnage, at reduced copper and gold grades. Economic modelling and financial studies are in progress.
- Copper Hill conceptual pit optimisations yield positive operating NPVs, which exclude capital costs, using metal prices below current spot but higher than historical long-term average prices.
- At Copper Hill, an Induced Polarisation (“IP”) survey, designed to generate targets along strike from the main deposit, defined several anomalous zones of coincident chargeability, resistivity and magnetics, one of which, known as the Power Anomaly, is presently being core drilled to a depth of 400m.
- Agreement signed to sell Adelong Gold Project for \$3 million worth of cash and shares, to be paid by instalments, plus a 1% production royalty worth \$2 million at present gold prices.

### EXPLORATION PROPERTIES

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

Drilling at GCR's 100%-owned Copper Hill project since September 2006 has confirmed the previous resource estimate and resulted in a small increase in tonnage at reduced copper and gold grades. The close agreement between the updated and previous resource estimate confirms the robustness of the geological model.

Hellman & Schofield Pty Ltd has estimated a new Indicated and Inferred Resource for Copper Hill, shown below.

#### Copper Hill April 2007 Resource Estimate at a 0.2% Copper Cut-off

Category	Mt	%Cu	g/t Au	g/tEqAu*	Kt Cu	Moz Au	% Mt
Indicated	72	0.35	0.35	1.15	254	0.79	53%
Inferred	65	0.28	0.23	0.87	184	0.49	47%
<b>Total</b>	<b>137</b>	<b>0.32</b>	<b>0.29</b>	<b>1.03</b>	<b>439</b>	<b>1.28</b>	<b>100%</b>

*Details of the gold equivalent calculation (“EqAu”) are provided at the end of this report.*

New assay results from 91 holes, comprising 8,084 assayed intervals over 15,320m, were added to the database. The cut-off grade of 0.2% copper remains the preferred basis for reporting the resource estimate and reflects Copper Hill's favourable infrastructure and mining attributes.



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New zones of chalcopyrite mineralisation drilled at Copper Hill North were included in this resource estimate. These have not been sufficient to make up for the resources lost due to truncation of the deposit by a previously unrecognised fault on the western side of the deposit.

The Indicated Resource has been reduced and the Inferred Resource increased since the August 2006 estimate. This is largely due to new geological interpretations made as a result of the increased density of drilling, coupled with a different estimation search method.

Metallurgical test work by Metcon has advanced, but is still in the preliminary stages, using samples of high grade material from hole GCHR64 and more typical samples from 16 other core holes widely spread throughout the deposit. Copper recoveries of about 80% are indicated but, in order to create a high grade (30%) copper concentrate, gold-bearing pyrite is removed as tails thus reducing gold recoveries to about 50%. GCR's consultants are working on this issue and hope to improve gold recoveries through use of an additional regrind circuit. No allowance in the resource estimate has been made for differential metal recoveries which, if applied using preliminary test work results, would indicate recovered EqAu\* grades of approximately 70% of the quoted figures.

## Copper Hill Project – Conceptual Pit Optimisation Studies

	Base	Case 2	Case 3
US\$/oz Au	500.00	600.00	700.00
US\$/lb Cu	1.80	2.65	3.50
Operating NPV 6Mtpa	A\$200 million	A\$500 million	A\$780 million
Operating NPV 8Mtpa	A\$250 million	A\$600 million	A\$900 million
<b>No plant capital included</b>			
Mill Feed million tonnes @ 6Mtpa	33	75	97
Mill Feed million tonnes @ 8Mtpa	44	94	118

AMDAD, using mining costs generated internally and process costs provided by Cullen Mining Services, has completed conceptual pit optimisation studies on the latest resource estimates provided by Hellman & Schofield. Using a range of price and throughput assumptions, as set out in the table above, several operating net present values ("NPVs") are set out, exclusive of capital cost estimates for plant and infrastructure. Mining equipment leasing costs are included.

The project requires sustained high metal prices to be clearly economic but, if low capital costs for process plant and infrastructure could be achieved for an 8Mtpa operation at Case 2 metal prices, sufficient material could be treated to produce in aggregate about 240,000 tonnes of copper in concentrate with 400,000 to 500,000 ounces of gold over an eleven year mine life.

Considerably more technical, financial and mine modelling work is required and this process has commenced.



## IP Survey Results

An extensive Induced Polarisation (IP) survey was completed over 23 sq km of the Copper Hill mineralised area, with a further 7 sq km completed over the Larras Lee area to the north.

Figure 1 shows the modelled chargeability readings at a depth of approximately 300m below surface (300m RL), produced by the IP survey. The colour scale ranges from purple, indicating zones of lowest chargeability, through blue, green, yellow, brown and red (highest chargeability). Red indicates a chargeability in excess of 40 millivolts per volt which is considered to reflect a volume of more than 5% sulphides in the ground. In the Copper Hill survey, some readings were in excess of 90 millivolts per volt, indicating in the order of 10% sulphides.

Figure 1 shows the red coloured highs in the area of Copper Hill itself where most of the drilling has taken place to date. However, it should be noted that in most world class porphyry copper deposits the highest chargeability results usually indicate the areas containing the most pyrite, as opposed to chalcopyrite (the copper ore) which usually occupy areas of lower chargeability.

This appears to be the case at Copper Hill, where the best copper holes drilled to date occupy the medium to low (brown-green) chargeability areas adjacent to the red highs.

One completely new area, the Power Anomaly, has shown strong chargeability over half a kilometre which only really becomes apparent from a depth of 50 to 100m below surface. This anomaly is presently being drilled for the first time. The hole was drilled using RC methods to 227m and is presently being core drilled, with a scheduled depth of 400m.

Figure 2 shows cross sections through the anomaly, and the proposed location of the drillhole trace. The hole is designed to test the centre of the chargeability anomaly and the periphery of the resistivity and magnetic anomalies.

The 3 km-long zone of high chargeability, south of Copper Hill through to the southern limit of the IP survey at Vale Head also provides encouragement and will be systematically tested by drilling in the next program in an effort to find high grade zones and additional open-pittable mineralisation.

The usefulness of the IP survey in discovering the Power Anomaly at depth has led to consideration being given to conducting an IP survey over the 7 km strike extent of volcanic rocks in the southern portion of the Copper Hill tenement.

**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)

An extensive Induced Polarisation ("IP") survey has been designed over selected areas at Canbelego. Drilling of targets will follow, with drill hole priority to be assigned after completion of the IP survey.

Receipt of further payments under the Mt Boppy royalty are set out below in the Royalties section of this report.

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

Co-venturer JOGMEC is reviewing results from the recent drilling, and co-venturer Inco is conducting detailed exploration including several geophysical surveys with a view to developing specific targets for drill testing.



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**Cargo** (60 sq km, GCR 100%, gold and copper. Cybele Resources can earn 70% by spending \$5 million by 281110)

Cybele Resources (Australia) Pty Ltd, has completed a 1,500m RC drilling program for six holes at Golden Cross' 100%-owned Cargo copper-gold property in New South Wales. Results are awaited.

Cybele's target is copper-gold mineralisation associated with porphyry style hydrothermal systems similar in character to the nearby Cadia Hill porphyry deposits. The drilling program was designed to provide an initial near-surface evaluation of the alteration system prior to undertaking deeper diamond drilling in 2007.

**Wagga Tank** (163 sq km, GCR 100%, base metals, gold and silver. Zinifex can earn 51% by spending \$0.55 million by 060211)

Zinifex and GCR are designing an exploration program.

**Yellow Mountain** (365 sq km, GCR 30%, Triako Resources (CBH) 70%, gold, silver and base metals)

Consolidated Broken Hill Limited plans to undertake a \$133,000 drilling program during 2007, to continue testing the Melrose Magnetic Anomaly, where drilling by Triako delineated a discrete zone of gold mineralisation 600m by 250m in area. GCR will contribute its 30% share of the drilling.

**Parkes** (129 sq km, GCR 100%, gold)

The principal target in the Parkes tenement is for London-Victoria type shear hosted gold deposits. A 3,200m aircore drilling program has just been completed with 66 holes. Results are awaited.

**Cullarin** (147 sq km, GCR 100%, base metals, gold and silver. Tri Origin Minerals may earn 51% by spending \$0.2 million by 281110)

Co-venturer Tri Origin plans to conduct an 800m RC drilling program in the second half of 2007, to focus on the Wet Lagoon anomalies and mineralised occurrences. Cullarin was formerly known as Breadalbane.

**Rast Trough** (south of Cobar, NSW, 840 sq km, GCR 100%, base metals, gold and silver)

This project lies to the east of the Company's Wagga Tank property and covers a recently recognised structural zone marginal to the Erimeran granite, prospective for base and precious metals. Much of the area lies under shallow cover and has had little previous exploration.

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

GCR announced on 19 April 2007 that it had signed an agreement with Tasman Goldfields Limited for the sale of GCR's Adelong Gold Project in New South Wales for consideration totalling approximately \$3 million plus a 1% gold production royalty capped at 2,500 ounces, worth \$2 million at current gold prices.

The transaction will be effected through the sale of GCR's wholly-owned subsidiary, Challenger Mines Ltd.



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The purchase price for Adelong is payable in a number of instalments, as follows:

- \$65,000 on completion, expected to be paid during April, of which \$40,000 will be used to fund an RC drilling program presently underway under GCR management on EL 5728 “Batlow”;
- \$1,000,000 on listing of Tasman on ASX, consisting of \$500,000 cash and \$500,000 in Tasman shares;
- \$1,500,000 one year after Tasman listing on ASX, consisting of at least \$200,000 in cash and the balance in Tasman shares; and
- \$600,000 two years after Tasman listing on ASX, consisting of at least \$200,000 in cash and the balance in Tasman shares.

If the final instalment is paid two years after listing, the total instalments is \$3,165,000, however Tasman may elect to pay the final instalment 12 months after listing, in which case the total instalments will be \$3,015,000.

The sale is conditional on ELs 5728 “Batlow” and 6372 “Nangus” being renewed in full size.

The royalty consists of 1% of the first 250,000 ounces of gold produced from the current area of the tenements.

Tasman will also reimburse GCR for a \$50,000 RC drilling program presently underway, under GCR management, on EL 6372 “Nangus”.

Tasman aims to complete an IPO and list on ASX during the third quarter of 2007. GCR looks forward to a successful relationship with Tasman and to participating as a shareholder in Tasman’s portfolio of advanced exploration properties.

The sale of the Adelong Gold Project, managed for GCR by Warrama Consulting Pty Ltd, will allow GCR to focus on its 100%-owned Copper Hill and other properties in NSW, and other opportunities as they arise.

## **ROYALTIES**

Details of GCR’s five royalties are set out on page 10 of the 2006 Annual Report, available at [www.goldencross.com.au](http://www.goldencross.com.au)

### **Mt Boppy Royalty**

GCR holds a 3% gross royalty over the Mt Boppy Gold Mine, with 5% of the royalty payable to previous Mt Boppy tenement holders.

As expected, during the quarter GCR received three royalty payments of 50 ounces of gold. GCR’s share after payments to third party royalty holders (142.5 ounces) was sold on the spot market. Monthly payments of 50 ounces are due up until July 2007. These minimum payments are rebateable against the royalty payable from future production from Mt Boppy.

KIM STANTON-COOK, MANAGING DIRECTOR



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## Notes

**\*Gold Equivalent: Gold grade g/t + (copper % grade x 2.3), using a gold price of US\$400 and copper price of US\$3000/tonne) with no allowance for differential metal recoveries. Quoted significant figures should not be interpreted to denote precision.**

The Copper Hill Resource Estimate was calculated by Arnold van der Heyden, MAusIMM, an employee of Hellman & Schofield Pty Ltd ("H&S"), specialists in resource estimation. Mr van der Heyden has more than five years' experience in the field of activity in which he is reporting and consents to his report being incorporated into this announcement in the context in which it appears above. He is a Competent Person under the meaning of the JORC (2004) Code. H&S has accepted the data provided by GCR in good faith. GCR takes responsibility for Table 1 issues (JORC Code 2004).

Assays of samples from open hole percussion drill holes have not been used for resource estimation. It is assumed that barren dykes of interpreted horizontal widths exceeding five to ten metres will not act as diluents during a mining operation. These have been excluded from part of the resource though not for drilling completed since May 2006. 206 density determinations were used for conversion of volumes to tonnages. Assays from new Golden Cross holes GHCR108, 183, 189, 190, 192 – 209, 210 – 280 & 286 - 288 were available for the estimate reported here.

Subject to the above paragraphs, the information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Kim Stanton-Cook, who is a member of the Australian Institute of Geoscientists, is a full-time employee of GCR, and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Kim consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



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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

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 19 April 2007 GCR had 2,500 shareholders.

### Major Shareholders

The share register records the following as major shareholders at 19 April 2007:

	%
1. HSBC Custody Nominees (Aus) Ltd	5.1
2. National Nominees Limited	4.1
3. Dr Leon Eugene Pretorius	3.9
4. HSBC Custody Nominees GSI	2.4
5. Zero Nominees Pty Ltd	1.7
6. Golden Cross Plan Managers	1.7
7. Mr John Quirk	1.7
8. Peter David Timms	1.7
9. Robert Cameron Galbraith	1.4
10. David Timms	1.1
11. Metallic Resources Pty Ltd	1.0
12. ANZ Nominees Limited	0.9
13. Citicorp Nominees Pty Limited	0.9

### Cash Balance

At 31 March 2007, GCR's cash balance was approximately \$6.1 million.

### ASX Listing Code

The Company's ASX listing code is GCR.

### Issued Capital

GCR's issued capital is now approximately 504.5 million shares 9,335,000 employee options exercisable at 10 cents by 6.10.2011, 5,000,000 employee options exercisable at 8 cents by 31.3.2011

### 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

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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 .....

Email address .....

### Website

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

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

### General Enquiries

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

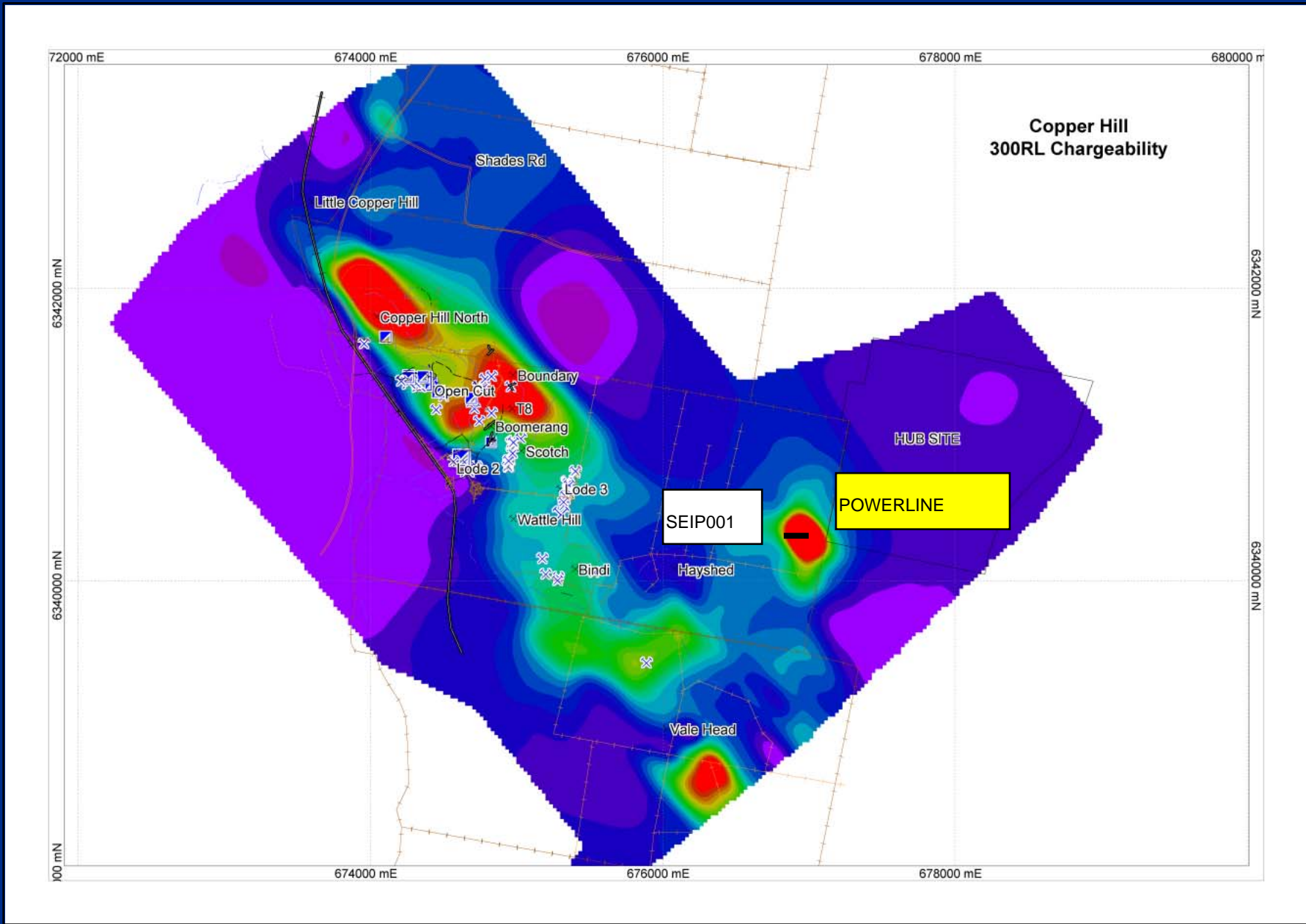
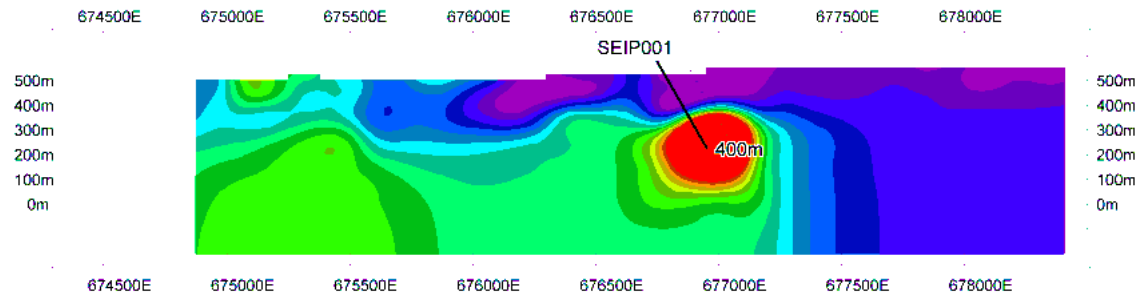
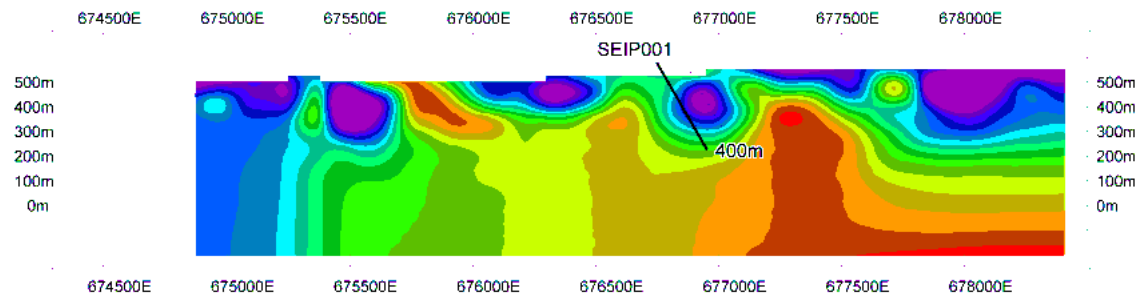


Figure 1 Powerline Prospect - Drill Hole Location

### Chargeability



### Resistivity



### Magnetics

