



QUARTERLY REPORT

September 2007

17 October 2007

HIGHLIGHTS

- **Copper Hill Copper - Gold**, with its capital cost estimate of \$330 million, requires a joint venturer to take the project through bankable feasibility. Production throughput of 8 million tonnes/year, yielding an average of 25,000 tonnes of copper and 40,000 oz of gold per year over a 12 year mine-life, is achievable at current metal prices.
- **Canbelego Gold - Copper** IP survey has delivered very encouraging anomalies, to be drilled in the December quarter.
- **Bowen Gold - Silver - Base Metals** tenements have been granted and field work is planned for the December quarter. Previous work yielded rock chips of 6.3 to 16.8 g/t gold and 105 g/t silver over 100m and best drill results of 8m at 3.2 g/t gold. Geology is similar to the nearby Silver Hill - Mount Carlton gold – silver discoveries.
- **Panama Gold** contains multiple gold-bearing epithermal quartz veins. An IP survey commenced in mid-October and drilling is scheduled for late-2007. A diamond drill rig will soon be available.
- **Labrador Uranium** airborne survey is complete and encouraging uranium anomalies are apparent in the data.

Major Drilling Phase – 8 Drilling Programs in December Quarter

GCR is about to embark on a major drilling phase. Drilling planned for the December quarter on GCR properties consists of eight programs for over 6,000m, at Canbelego, Copper Hill, Panama, Cargo, Cullarin, West Wyalong, Rast and Kilparney. See below for details.

GCR has recently sought and found new, affordable, drill-ready properties with high prospectivity that provide the best chance of early discovery. Both the Panama and Labrador properties give GCR entry into highly prospective belts. GCR is also fortunate to have capable joint venturers to assist with its efforts.

Within Australia, a review of GCR's 100%-owned properties indicates that the best chance of new discoveries are at the Canbelego gold - copper property and at the Copper Hill copper-gold project - notably at Copper Hill's Power and Southern anomalies. The Rast and Kilparney magnetic anomalies in the Cobar Basin could also host significant mineralisation.

The recently granted King Eagle tenements at Bowen, Queensland, are well situated, close to one of the best discoveries in eastern Australia for many years – Conquest Mining's Silver Hill – Mount Carlton deposits - and are ready for exploration to develop targets for drilling during 2008.



EXPLORATION PROPERTIES

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

On 23 August 2007 GCR announced a revised resource estimate for its Copper Hill porphyry copper-gold project near Molong, NSW.

The revised resource estimate is set out below, at several cut-off grades.

Copper Cutoff (%)	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (Kt)	Contained Gold (M oz)
0.10	328	0.214	0.200	702	2.11
0.15	211	0.264	0.240	557	1.62
0.20	133	0.318	0.283	421	1.20
0.25	83	0.375	0.332	310	0.88
0.30	51	0.438	0.389	224	0.64

At GCR's preferred cut-off grade of 0.20% copper, the revised resource estimate is:

133 million tonnes at 0.32% copper and 0.28 g/t gold, containing, in-ground, 420,000t of copper and 1.2 million ounces of gold

The resource, at a 0.2% copper cutoff, is classified as 13% measured and 50% indicated (see announcement for details and consents).

Economics

Using a range of price and throughput assumptions, several operating net present values (NPV's) were estimated, exclusive of capital costs for mill, plant and infrastructure, as set out below. Mining equipment leasing costs are included.

	Case 1	Case 2	Case 3
US\$/oz gold	500.00	600.00	700.00
US\$/lb copper	1.80	2.65	3.50
Operating NPV 8Mtpa	A\$250m	A\$600m	A\$900m
Mill Feed million tonnes @ 8Mtpa	44	94	118
Capital Cost Estimate for 8Mtpa operation.		A\$330m	

The project requires sustained high metal prices to be clearly economic but, at estimated capital costs for process plant and infrastructure for an 8Mtpa operation at Case 2 metal prices, sufficient material could be treated to produce, in aggregate, about 270,000 tonnes of copper in concentrate with 400,000 to 500,000 ounces of recovered gold over a twelve year mine life.

Infrastructure

Copper Hill is very well placed with infrastructure, lying close to road, rail, power and towns. See page 4 of GCR's 2007 annual report for further details.

The Way Forward

Using metal price assumptions between long term average and current spot, Copper Hill can deliver a positive NPV based on preliminary financial analysis. GCR continues to refine the assumptions, and detailed financial analysis will be an on-going process.

GCR will seek potential joint venturers requiring a steady supply of clean copper concentrate with gold credits and the financial capacity to fund the project through to start-up. Meanwhile, drilling of exploration targets will continue in late 2007.



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Los Hatillos (Panama, 74 sq km, GCR earning up to 70% by spending US\$4m by 2012, gold)

GCR has farmed-in to the Los Hatillos epithermal gold properties in central Panama held by Bellhaven Copper & Gold, Inc (TSX:BHV), a Panama-based company. The properties contain several zones of high grade, gold-bearing epithermal veins and breccias at an early stage of exploration.

IP geophysical surveys have commenced, and drilling of existing targets, and those generated by the IP, will take place in the December quarter.

The generally narrow vein systems have extensive strike lengths (2 km - 3 km). Historic sampling of underground workings in the joint venture area at Veta Blanca returned a 41m strike length of vein material averaging 27.2 g/t gold, 0.25% copper, 4.8% lead and 5.0% zinc over an average width of about 1.2m. Bellhaven trenching returned 14m at 10.3 g/t gold. Limited sampling by GCR of dump material assayed up to 19.1 g/t gold.

Similarly, at the nearby El Tiro Vein an historic drill hole returned 10.7m at 17.06 g/t gold (interpreted to be 4.5m true thickness). Recent Bellhaven trenching returned 4m at 35.6 g/t gold. Sampling by GCR returned assays up to 62.8 g/t gold, confirming the potential for high grade mineralisation.

The properties lie adjacent to two old gold mines, Santa Rosa, which hosted about 1 million ounces in a maar volcano setting, and the Remance gold deposit. Gold is hosted in high grade veins and also occurs as disseminations.

GCR is pleased to announce the appointment of Francisco ("Cisco") Montes, a geologist with broad South American exploration experience, as Panama Exploration Manager, to manage the projects and seek new opportunities.

Cisco has been involved in mineral exploration in Western Australia, Queensland, Argentina and Ecuador. He has explored principally for gold in a variety of geological settings, and was instrumental in the La Zarza discovery in Ecuador (now Frutas del Norte) for Aurelian Resources. Cisco will be based in Panama.

GCR has made an up-front payment of US\$25,000 and must spend US\$250,000 on exploration by 1 July 2008. GCR may earn up to a 70% interest in the properties by spending US\$3.5 million and making annual cash payments totalling US\$0.5 million by 1 July 2012.

GCR has gained access to two immediately drillable, prospective epithermal gold properties with potential for high-grade deposits containing 0.5 million to 1 million ounces of gold in a stable country with modern mining laws, low sovereign risk and a skilled and enthusiastic local labour force.

Labrador (Canada, 720 sq km, GCR may earn 50% by spending C\$5.5m by 2012, uranium)

Encouraging uranium anomalies have been received from the airborne magnetic and radiometric survey flown over the properties during September.

GCR may earn a 50% interest in two uranium properties held by Altius Resources Inc in eastern Labrador:

- Notakwanon - by issuing 25 million GCR shares and spending C\$3.5 million on exploration over five years; and
- Nuiklavik – by issuing 15 million GCR shares and spending C\$2 million on exploration over five years.

Both properties are subject to a 2% gross sales royalty on uranium and a 2% net smelter return royalty on other metals. The shares will be issued progressively



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over five years unless GCR elects to issue them sooner; an option which may be available if a major uranium corporation were to farm-in to the projects.

The Nuiklavik Property is located approximately 80 km south of the Voisey's Bay nickel-cobalt mine and 20 km from the coast. The project incorporates a middle Proterozoic peralkaline caldera complex within the Nain geological province. Radioactivity is associated with numerous pyrite occurrences yielding elevated base metals, molybdenum, fluorine and rare earth elements within the 13 km-diameter caldera. The exploration target is volcanic-hosted uranium.

The significance of the peralkaline assemblage in this caldera setting is that it closely resembles the late-Jurassic Streltsovka caldera in eastern Russia – host to 20 uranium deposits containing more than 280,000 tonnes of U_3O_8 .

Both the Nuiklavik and Streltsovka calderas:

- contain similar rock sequences dominated by felsic volcanics;
- have a high fluorine content;
- are marked by the presence of rare metal and rare earth assemblages; and
- have alkaline granite basements.

The requirements for sourcing, transporting and hosting uranium mineralisation are present and are supported by outcropping zones showing high radioactivity.

The Notakwanon Property is located 65 km south of the Voisey's Bay nickel-copper-cobalt mine and has potential for volcanic-hosted/associated uranium mineralisation. Uranium occurrences were discovered in this area during geological mapping by Canadian government geologists in 1982 who reported grab samples containing up to 1.81% U_3O_8 . A major fault structure with uranophane showings and high spectrometer readings extending for several hundred metres provides an immediate drill target.

GCR's entry into uranium exploration in Canada continues its approach to search the world for drill-ready projects that give the greatest chance of early discovery in countries of high prospectivity and low sovereign risk. Canada has a dynamic mining industry, a well established uranium mining culture and an advanced nuclear industry.

Canbelego (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's Canbelego property surrounds the Mount Boppy gold mine, which to date has produced over 0.5m oz of gold at a grade of 12 g/t. GCR is actively exploring for Mount Boppy-style mineralisation.

An extensive gradient array and pole-dipole IP survey has just been completed, and drilling is planned for the December quarter.

Mt Isa (Qld, 876 sq km, GCR 100% (held through KER), uranium, copper-gold)

GCR has two tenements and one tenement application in the Georgina Basin, highly prospective for uranium mineralisation. The tenements cover the same horizons as those applied for by Summit Resources and Newland Resources.



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Uranium mineralisation may be hosted in channel-ways cut into phosphatic horizons where reducing conditions, required to precipitate the uranium, may occur. Phosphatic minerals may also act as uranium reductants.

The Mount Isa region represents one of the most prospective areas in Australia for the discovery of near-surface uranium resources, and extensive uranium exploration is currently being conducted by a number of companies, including Summit Resources and Deep Yellow. Newland Resources and Summit are currently conducting a uranium exploration program over 12,000 sq km of the Georgina Basin to the west of the Mount Isa Inlier.

GCR is compiling a digital database of satellite imagery and detailed regional magnetic and radiometric data. A program of RAB drilling traverses is under consideration as a first pass program to test the phosphorite horizons.

Mulga Tank (WA, 268 sq km, GCR 75% - 80% (held through KER), uranium-nickel)

KER holds the Mulga Tank property, 200 km NE of Kalgoorlie, where Newport Exploration Ltd (TSX:NWX) may earn an 80% interest by spending a total of C\$2.5 million.

A joint venturer-funded drilling program commenced at the Mulga Tank property, 45 km west of the Mulga Rock uranium deposit near Kalgoorlie, WA. Problems with running sands led to a delay in the program, until a more suitable rig can be mobilised. The drill program will test EM-defined palaeo-drainage systems, with potential for Mulga Rock-style uranium deposits (10.8 Mt at 0.12% U₃O₈).

The Mulga Tank property also covers the substantial 4.7 km x 3.2 km Minigwal Dunite (Peridotite) intrusive body, with potential to host a Mount Keith-style (517 Mt at 0.54% nickel) nickel deposit. Previous (2005) diamond drilling at Mulga Tank identified an extensive mineralised zone averaging about 0.2% nickel and up to 0.5% nickel; Hole MTD001 averaged 0.20% nickel across the entire 270m of serpentinised dunite from 67.3m and MTD002 returned 0.19% nickel over 212m (from 60m). Shallow RAB samples assayed up to 2% nickel.

KER also holds an exploration licence application adjacent to its Mulga Tank property, in which NWX may earn a 75% interest.

KER holds the right to purchase, at any time, the 20% interest, free carried to decision to mine, in the Mulga Tank tenement, and the 25% interest in the EL application, held by a local prospecting syndicate.

Esmeralda (Qld, 90 sq km, GCR 100% (held through KER), gold, uranium)

The Esmeralda tenement application, southeast of Croydon in the Georgetown Inlier of northern Queensland, is prospective for gold and uranium.

Previous exploration returned high-grade gold mineralisation, including trench assays of 1m at 36.8 g/t gold, 4m at 8.6 g/t gold and 2m at 16.7 g/t gold, and drill intersections of 2m at 5.4 g/t gold and 3m at 5.9 g/t gold.

GCR is also targeting uranium sourced from 'hot' granites. Existing deposits and airborne radiometric surveys demonstrate the region's prospective for primary uranium in structurally-controlled and replacement deposits and secondary palaeo-channel mineralisation. The Maureen and Newcastle Range uranium deposits lie some 80 km to the northeast, associated with felsic volcanic and sedimentary host rocks above the Permo-Carboniferous Elizabeth Creek Granite.



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Bowen (Qld, 900 sq km, GCR 100% (held through KER), gold)

GCR holds newly granted tenements prospective for gold in the Bowen area of eastern Queensland. Primary exploration targets include porphyry-related bulk tonnage gold deposits and epithermal gold-silver deposits, with potential for a Silver Hill – Mount Carlton-style, high-grade gold-silver-copper discovery in epithermal and porphyry settings.

Previous drilling by WMC near Bowen, on KER's Mt Cavana tenement, yielded an intersection of 8m at 3.2 g/t gold, including 1m at 15.4 g/t gold.

At Matrimony Ridge, located on Mount Mackenzie, a zone of highly altered, silicified, brecciated and gossanous rock occurs within a porphyry-style environment. Rock chips of 6.3 to 16.8 g/t gold and 105 g/t silver occur over a 100m long zone at the brecciated contact with a dacite dyke.

Cargo (60 sq km, GCR 100%, Au and Cu. Cybele can earn 70% by spending \$5m by 281110)

Calibre Mining Corp announced during July that its 96.3%-owned subsidiary Cybele Resources (Australia) Pty Ltd ("Cybele") intersected porphyry copper mineralisation in its 1,326m Phase I RC drilling program at GCR's Cargo porphyry copper-gold prospect in NSW. Five of six drill holes intersected significant porphyry-style copper and gold mineralisation over widths of up to 250m.

Best results are set out below.

Cargo RC Drilling Results – July 2007

Hole No.	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Hole Depth
CYC001	0	246	246	0.178	0.095	250m
CYC002	1	250	249	0.135	0.104	250m
CYC004	60	178	118	0.220	0.101	240m
CYC006	145	248	103	0.150	0.080	250m

Based on these encouraging results and a detailed review of previous reconnaissance drilling in the northern part of the prospect, a Phase II diamond drilling program consisting of four holes for 1,800m will commence in October 2007. This program will test for blind higher grade porphyry copper-gold mineralisation at depth in at least two parts of the Cargo Prospect.

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

Tri Origin has undertaken a 500m RC drilling program, to focus on the Wet Lagoon anomalies and other mineralised occurrences. Assays are awaited.

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

CVRD-Inco remains active in its joint venture over the southern part of the licence.



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Farm-out of Kempfield, Sunny Corner and West Wyalong

Kempfield Silver Pty Ltd (“KS”) has commenced its farm-in to the group’s Kempfield, Sunny Corner and West Wyalong properties. KS has a focus on silver, and aims to list on ASX during 2007.

Drilling at Kempfield during the quarter intersected broad zones of silver-lead-zinc mineralisation, including:

- 50m at 1.70% zinc, 1.25% lead and 28.8 g/t silver; and:
- 80m at 1.09% zinc, 0.36% lead, 16.8 g/t silver and 0.22 g/t gold.

See GCR announcement dated 30 August 2007 for details. KS plans to drill at West Wyalong during the December quarter.

Sale of Adelong Gold Project

GCR sold its Adelong Gold Project to Tasman Goldfields Limited for approximately \$3 million plus a 1% gold production royalty capped at 2,500 oz.

The transaction was completed through the sale of GCR’s subsidiary, Challenger Mines Ltd. Payments will be by instalments, conditional on Tasman completing an IPO and listing on ASX, which it intends to do in November 2007. It is anticipated that GCR will receive payments, in cash and shares, totalling \$1 million in November 2007 and totalling \$1.95 million in November 2008.

Sale of Belubula

GCR recently sold its Belubula exploration licence (EL 6466), southeast of Cargo, for \$750,000 cash to a nominee of its farm-in partner at Belubula, Agricultural Equity Investments Pty Ltd.

ROYALTIES

Details of GCR’s five royalties are set out on page 11 of the 2007 Annual Report, available at www.goldencross.com.au

KIM STANTON-COOK, MANAGING DIRECTOR

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, has visited the prospects set out above, or, in the case of the new KER properties in Queensland, the regions in which they occur, 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

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Number of Shareholders

At 15 October 2007 GCR had 2,855 shareholders.

Cash Balance

At 30 September 2007, GCR's cash balance is approximately \$5.2 million.

ASX Listing Code

The Company's ASX listing code is GCR.

Issued Capital

GCR's issued capital is approximately 540.5 million shares, 11.5 million employee options exercisable at 10 cents by 10.7.2012, and 5 million 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:

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Name

Email address

Website

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

www.goldencross.com.au

General Enquiries

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