



QUARTERLY REPORT

September 2008

30 October 2008

KEY POINTS

Golden Cross funded projects

- **Mulga Tank nickel, WA** - Core hole MTD003 was drilled to 450m at Mulga Tank, testing for nickel mineralisation. Results are awaited. Pyrrhotite-pyrite was observed at depth, with minor chalcopyrite and trace pentlandite.
- **Copper Hill copper and gold, NSW** - Golden Cross is speaking to potential overseas investors about the project. It has commissioned studies to investigate the optimal return from the deposit through possible production of copper, gold, sulphuric acid and iron granules.
- **Labrador uranium, Canada** - New uranium discoveries have been made at Notakwanon, including the Old School prospect in the south of the property, which yielded rock chip samples assaying in excess of 2% U₃O₈.
- **Canbelego gold and copper, NSW** - Since the end of the quarter, Golden Cross signed an agreement for the sale of EL 5842 for \$0.5 million, excluding four units covering the Burra Copper prospect where recent drilling intersected up to 6% copper over 1 metre supporting previous 2m intercepts grading up to 13% copper. Further drilling is planned.

Golden Cross' farmed-out projects

- **Mount Isa phosphates, Qld** - Legend International Holdings has conducted airborne surveys at Golden Cross' Highland Plains, Lily & Sherrin Creek and Quita Creek properties.

Fundraising

- Golden Cross raised \$750,000 during the quarter by way of a **placement** to sophisticated shareholders at 1.5 cents per share.
- At 30 September 2008 Golden Cross held cash reserves of **\$2.8 million**, plus over \$2.5 million in share investments and receivables.

Annual Report

- Golden Cross released its 2008 Annual Report on 12 September 2008. The report is available on the Golden Cross website at www.goldencross.com.au or in hard copy by telephoning the office on +61 2 9472 3500.

EXPLORATION PROPERTIES

Golden Cross funded projects



Mulga Tank (east of Kalgoorlie, WA, 268 sq km, GCR 80%/75%, with a local prospecting syndicate holding 20%/25% free carried decision to mine, nickel and gold)

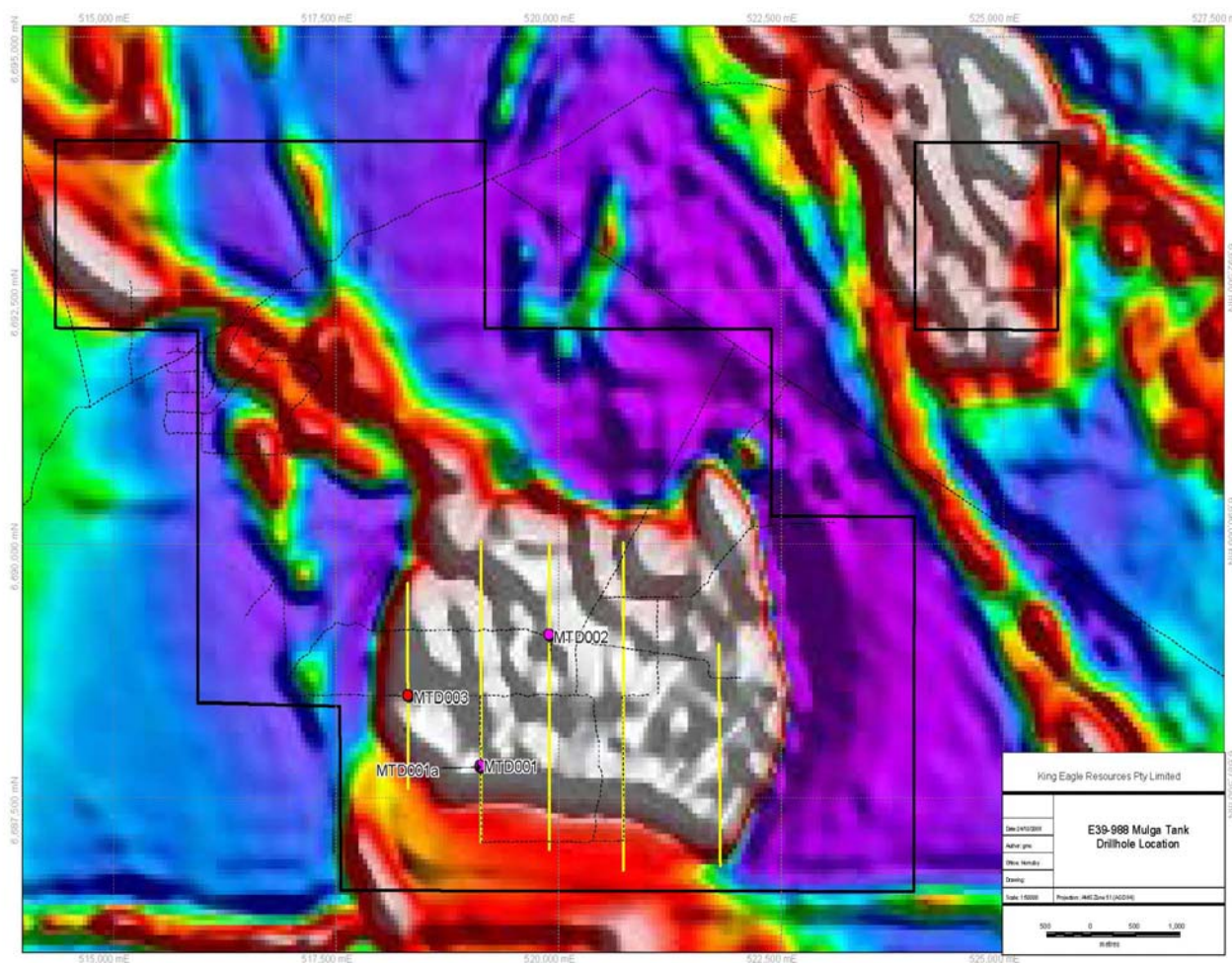
Golden Cross holds two properties prospective for nickel and gold mineralisation in the Mulga Tank area near Kalgoorlie, WA – E39/988 “Mulga Tank” (GCR: 80%) and E39/1072 “Mulga East” (GCR: 75%).

During the quarter, Golden Cross drilled core hole MTD003 to a depth of 450m at Mulga Tank. Results are awaited. Pyrrhotite–pyrite was observed at depth, with minor chalcopyrite, and trace pentlandite. Nearby holes drilled in 2005 intersected:

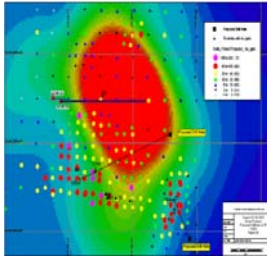
- hole MTD001 – 270m at 0.20% nickel from 67m;
- hole MTD002 – 212m at 0.19% nickel from 60m; and

Nearby shallow RAB holes returned up to 2% nickel.

These intercepts lie within the 4.7 km x 3.2 km Minigwal Dunite (Peridotite) intrusive body, which has potential to host a Mount Keith-style (517 Mt at 0.54% nickel) nickel deposit.



At Mulga East, a mobile metal ion soil sampling program is underway over the little-explored greenstone sequence.



Copper Hill (Molong, north of Orange, NSW, 95 sq km, GCR 100%, copper-gold)

Golden Cross is speaking to potential overseas investors and mining companies regarding investment in the project. Golden Cross has also commissioned studies to investigate the maximum return from the deposit through production of copper, gold, sulphuric acid and iron granules.

Roasting of Copper Hill sulphides (CuFeS_2 and FeS_2) would yield sulphur dioxide (SO_2) which can be converted to sulphuric acid (H_2SO_4) and a calcine from which the copper and gold would be leached to produce cathode copper (SX/EW) and bullion gold by carbon in leach (CIL) at maximum recoveries.

The crushed, leached calcine, now comprising mostly iron oxide (Fe_2O_3), could be granulated and sold as direct blast furnace feed.



Labrador (Canada, 658 sq km, GCR may earn 50% by spending C\$5.5m by 2012, uranium)

New uranium discoveries have been made at the Notakwanon property, including the Old School prospect in the south of the property, which yielded rock chip samples assaying in excess of 2% U_3O_8 .

The summer field sampling program has been completed. Further assays and reports are awaited.

Golden Cross will assess the likely size and continuity of mineralisation discovered to date.



Canbelego (near Cobar, NSW, GCR retains 100% of 5 units being 15 sq km, copper and gold)

Since the end of the quarter, Golden Cross signed an agreement for the sale of EL 5842 "Canbelego" for \$0.5 million, excluding four units covering the Burra Copper prospect. The four units at Burra, together with EL 6440 "Buppe", comprising one unit, will be retained by Golden Cross.

Best results from drilling by Golden Cross at the Burra Copper prospect in 2004 were 2m at 13.7% copper, which were supported by drilling in 2008, reported in the Company's June quarterly report, of 1m at 6.45% copper.

Future drilling will be directed to test the zone at depth, as Cobar-style lenses generally have short strike lengths but deep extensions.



Bowen (Qld, 583 sq km, GCR 100%, copper, gold and silver)

Exploration work continues on Golden Cross' Bowen property in Queensland, targeting porphyry-related bulk tonnage gold deposits and epithermal gold-silver deposits. Mapping and sampling in the vicinity of Mount Mackenzie identified a significant zone of alteration, which will be followed up.



Panama (applications totalling 800 sq km, GCR 100%, gold and copper)

Golden Cross withdrew from the Los Hatillos joint venture in Panama during the quarter.

Golden Cross will maintain a presence in Panama through its applications for six exploration areas held by its Panamanian subsidiary GCR Panama, Inc. covering approximately 800 sq km of ground prospective for porphyry copper and epithermal gold deposits in central Panama.

Golden Cross' farmed-out projects

Golden Cross has farmed out eight of its projects – Mt Isa (Legend), Broken Hill (Vale), Wagga Tank (OzMin), Kempfield, Sunny Corner and West Wyalong (Argent), Cullarin (Tri Origin) and Yellow Mountain (CBH). Joint venturers may spend a total of \$10.5 million to earn their various equity positions, ranging from 51% to 70%. Significant activity on relevant joint venture properties during the quarter is summarised below.

Mt Isa (Qld, 876 sq km, GCR 100%, phosphate, uranium, and copper-gold) (Legend International Holdings, Inc. may earn 80% interest in phosphate minerals only by spending \$3 million by 7 December 2012)

Legend conducted airborne magnetic and radiometric surveys at Golden Cross' Highland Plains, Lily & Sherrin Creek and Quita Creek properties. Results are awaited.

Broken Hill (western NSW, 393 sq km, GCR 100%, platinum group metals, gold and base metals) (Vale may earn 60% in the southern half of the property by spending \$2.4 million by 5 May 2010)

Vale received results for 3,000m of RAB and aircore drilling in the southern part of the licence, which returned up to 0.6% nickel and 0.2% copper from saprock. Vale plans to conduct a moving loop EM survey across this target during the December quarter.

Kempfield (near Blayney, NSW, 121 sq km, GCR 100%, silver and base metals) (Argent Minerals may earn up to 70% by spending \$2.75 million by 1 June 2013)

Argent commenced metallurgical testing. Results from metallurgical drilling in the BJ Zone returned up to 42.4m at 148.5 g/t silver from surface, including 5.0m at 422.0 g/t silver (over 13 oz/t).

Sunny Corner (near Bathurst, NSW, 104 sq km, GCR 100%, base metals) (Argent Minerals may earn up to 70% by spending \$0.69 million by 1 June 2013)

During the quarter, Argent Minerals (ASX:ARD) made a resource announcement.

Cargo (Cargo, NSW, west of Orange, 60 sq km, GCR 100%, gold and copper) (Cybele may earn 70% by spending \$5 million by 28 November 2010)

Calibre Mining withdrew from the joint venture. Golden Cross is in discussions with interested parties for the sale or joint venture of the property.

GOLDEN CROSS RESOURCES AT A GLANCE

Directors and Secretary

Kim Stanton-Cook, Managing Director
Chris Torrey, Director and Interim Chairman
Kerry McHugh, Director
David Timms, Director
Daven Timms, Alternate Director
Simon Lennon, Company Secretary

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ASX Listing Code

Golden Cross' ASX listing code is GCR.

Cash Balance

At the end of the quarter, Golden Cross' cash balance was approximately \$2.8 million.

Issued Capital

Golden Cross' issued capital is approximately 684.9 million shares, with 13.5 million employee options exercisable at 10 cents by 10 July 2012 and 5 million employee options exercisable at 8 cents by 31 March 2011.

Number of Shareholders

On 9 October 2008, Golden Cross had 3,055 shareholders.

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 Golden Cross Resources 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.