



QUARTERLY REPORT

29 January 2009

December 2008

KEY POINTS

General Outlook

Golden Cross has entered 2009 in very good shape and, with CUMIC's backing, is actively seeking new projects by sale or joint venture at a time when many are on offer. Golden Cross is looking for advanced mineral projects with early cash flow potential in Australasia, grass-roots projects in areas of high prospectivity where Golden Cross is already active, and in other, well-mineralised areas in Australia and overseas. Golden Cross is hiring more geologists to assist in this search.

The gold price remains near all-time highs, while history tells us that the global economy will eventually recover and metal demand with it. Golden Cross is developing the team to build projects to come on stream within the next five years.

HQ Mining Resources Holding Pty Ltd

- Golden Cross entered into a strategic alliance with HQ Mining Resources Holding Pty Ltd (HQ), the Australian investment vehicle of Beijing-based China United Mining Investment Co Ltd (CUMIC), on 22 December 2008. The alliance provides Golden Cross with substantial funding for exploration as well as developmental, operational, and marketing support.
- HQ nominated Mr Xiaoming Li, chairman and controlling shareholder of CUMIC, and Ms Xun (Suzanne) Qiu to join the Golden Cross board as non-executive directors. HQ also nominated Dr Hui (Steven) Xiao, formerly president of CUMIC, to become executive director for business development at Golden Cross. (They became directors on 13 January 2009.)

Other Board changes

- Directors announced that Mr Chris Torrey, who had been acting as interim chairman, would become the chairman of Golden Cross. (That occurred on 13 January 2009.)
- Mr Kerry McHugh announced he would resign as a director but continue his involvement with Golden Cross for at least two years. (He resigned on 13 January 2009, becoming a part time employee of Golden Cross.)

Golden Cross funded projects

- With the HQ strategic alliance, Golden Cross is pursuing new mineral exploration, development, and production opportunities while expanding its exploration programmes at Copper Hill, Burra, Mulga Tank, Bowen, and Mt Isa.

Fundraising

- HQ provided Golden Cross with \$1.5 million initial funding on 30 December 2008. \$540,000 was for the subscription of 45 million shares at 1.2 cents each, giving HQ 6.2% of the shares of Golden Cross.
- The remaining \$960,000 was by way of a loan. The members of Golden Cross will meet (on Thursday 19 February 2009) to consider a motion to issue 80 million shares at 1.2 cents each to satisfy Golden Cross' obligation to repay that loan.
- HQ will provide a minimum of \$2 million further funding before the end of the second quarter in 2009.
- At 31 December 2008, Golden Cross held cash reserves of approximately **\$3.2 million**.

EXPLORATION PROPERTIES

Golden Cross funded projects

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

Golden Cross continues speaking to potential overseas investors and mining companies regarding investment in the project. Modelling is underway to investigate potential returns from the deposit through production of cathode copper, gold, sulphuric acid and iron as a by-product of the roasting process. Initial models indicate that substantial reductions in capital costs are required. This may be achieved by sourcing processing equipment from China with assistance from CUMIC.

Bowen, Qld (483 sq km, GCR 100%, copper, gold and silver)

Soil and stream geochemistry surveys at 10-Mile Creek have resulted in anomalies requiring further work in 2009. Golden Cross will also investigate a significant zone of alteration in the vicinity of Mount Mackenzie. Mount Cavana has been relinquished.

Burra, NSW (near Cobar, 15 sq km, GCR 100%, copper and gold)

Golden Cross is planning a 1,000m reverse circulation (RC) /core drilling programme to test extensions of the copper-gold and lead-zinc bearing structures reported in the last quarterly report.

Rehabilitation issues, now resolved, concerning past drill holes deferred completion of the transfer of the Canbelego tenement (excluding the four units retained as part of Burra) until the first quarter of 2009.

Cargo, NSW (west of Orange, 60 sq km, GCR 100%, gold and copper)

Calibre Mining withdrew from the Cargo joint venture and farm in agreement in September 2008.

Golden Cross has reviewed the project database in light of sustained high prices for gold and is planning drilling to test the Gum Flat Prospect where RAB and core drilling by Shell Australia intersected best intervals of 28m at 1.0g/t gold including 2m at 5.4g/t gold, 14m at 1.7g/t gold including 11m at 2.0g/t gold, 11m at 3.5g/t gold including 3m at

11.0g/t gold, 8m at 3.3g/t gold, 13m at 1.7g/t gold, 4m at 3.8g/t gold, and 12m at 1.2g/t gold including 5m at 2.1g/t gold.

Most intersections are within 50m of surface. Using a 0.3g/t gold cut-off, the zone extends for 5km along strike above a major fault and is generally 150 to 200m wide. The prospect contains near surface alluvials but there is evidence to suggest structurally controlled mineralisation may exist in the basement rocks, possibly related to the fault. A four hole, 600 metre program to test the structure below the best intersections given above is under consideration.

Golden Cross is, notwithstanding the above results, continuing discussions with interested parties for the sale or joint venture of this well-mineralised property.

Mulga Tank and Mulga East, WA (east of Kalgoorlie, 255 sq km, GCR 80%/75%, with a local prospecting syndicate holding 20% free carried decision to mine at Mulga Tank and a 25% contributing interest at Mulga Tank East, nickel and gold)

Core from drilling hole MTD003 (to a depth of 450m) was assayed with results similar to previous two diamond drill holes which returned better than 200 metre intervals grading 0.2% nickel. Data review will continue prior to implementing the next program likely to be additional IP surveys.

At Mulga Tank East Golden Cross has completed an Ionic Leach soil survey comprising 1,100 samples. The results cover 57 elements and work is continuing to determine the best anomalies using absolute values and cross-correlations between various elements. The Mulga Tank Greenstone Belt remains one of the least tested in the Yilgarn Craton and Golden Cross intends to work up drill targets for 2009.

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

The 2008 work program consisted of reconnaissance geological mapping, prospecting with scintillometers and spectrometers, glacial till sampling, trenching, and rock sampling. The field program targeted airborne radiometric anomalies not followed up in 2007. The work program identified six new uranium occurrences in two principal areas: (i) 5-6km north of the original Notakwanon uranium showings, and (ii) 12km south of the original showings. The most prospective uranium showings occur in the north area. These were subjected to a manual stripping/trenching and channel sampling program, along with some of the original showings from 2007. Grab samples from the new showings yield results as high as 3.49% U₃O₈ and channel samples include 0.48% U₃O₈ over 2.5m widths.

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

Golden Cross' Panamanian subsidiary GCR Panama, Inc. has reduced activity pending the outcome of its applications for six exploration areas 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)

Airborne radiometric data are being processed but initial plots indicate areas of anomalous responses in the uranium channel at Quita Creek. Review of the geological data in conjunction with the airborne magnetics has reduced the potential for iron oxide-copper-gold (IOCG) deposits but potential for structurally controlled copper mineralisation in the underlying Proterozoic basement remains.

Kempfield, NSW (near Blayney, 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)

13 reverse circulation (RC) holes were drilled at Kempfield's BJ Zone (6 resource extension holes and 7 infill holes.) The resource extension drilling confirmed the presence of broad widths of silver mineralisation containing high grade lenses with 5 of the 6 holes encountering intersections grading better than 100 g/t silver. For example, Hole 18 returned 22m averaging 158.3g/t silver and Hole 20 returned 8m averaging 212g/t silver. The drilling also indicated that lead / zinc grades are increasing at depth, including Hole AKRC-19 with 6m from 142m averaging 9.33% zinc and 1.91% lead plus 6m from 150m averaging 5.34% zinc and 1.3% lead. The infill drilling returned good silver results, with Hole AKRC31 of 86m averaging 102.8 g/t silver and Hole AKRC 27 returning 26m of 287.9 g/t silver including 6m at 447.7 g/t with 2m at 635 g/t silver (equivalent to 20.4 ounces per tonne). Barite results were consistently high varying from 23.7% to a high of 59.7%. Column leach test work continued on core samples from the BJ Zone with results expected in the March quarter.

At Sunny Corner, five diamond drill holes were drilled to obtain core samples for metallurgical test work and density calculations. Flotation tests and density calculations will be undertaken in the March quarter.

Wagga Tank, NSW (south of Cobar, 169 sq km, GCR 100%, base metals, gold and silver) (Zinifex may earn 51% by spending \$0.55 million by 7 February 2011)

Geophysical (magnetic and electromagnetic moving loop) modelling implied very strong coincidence of airborne magnetic and ground electromagnetic (moving loops) anomalies at the Seigals Shaft Prospect. OZ Minerals has planned for a high-density airborne survey over the BMW prospect and surrounding region which covers the southern part of the Wagga Tank licence and adjacent Oz Minerals Mt Allen JV tenement. Upon the completion of the airborne magnetic survey, a RC drilling program is planned to be conducted to test any IP anomalies.

Tasman Goldfields Limited

Golden Cross sold the Adelong Gold Project to a subsidiary of Tasman Goldfields Limited (ASX code: TGX) under an agreement dated 19 April 2007. Completion occurred on 23 May 2007, with Tasman obliged to pay the purchase price to Golden Cross under several instalments. As a result of Tranche 1, paid in 2007, Golden Cross held 2 million shares in Tasman.

Tranche 2, which was due on 7 January 2009, obliged Tasman to pay Golden Cross \$1.5 million of which at least \$200,000 was to be in cash and the balance in newly issued Tasman shares at a 5% discount to the 5 day VWAP (volume weighted average share price). The last shares traded in Tasman before that day traded at 5 cents each.

Since the end of the December quarter, on 7 January 2009, Golden Cross and Tasman agreed that Tasman could satisfy its Tranche 2 obligations to Golden Cross by paying

Golden Cross \$200,000 in cash, issuing 1.16 million shares to Warrama Consulting (which brokered the Adelong sale agreement and was entitled to a commission on payments made by Tasman to Golden Cross), and issuing 13 million shares to Golden Cross. Thus Golden Cross holds 15 million Tasman shares amounting to 19.83% of the issued shares of Tasman.

Under a new tranche 2B, Tasman shall also pay Golden Cross \$95,000 on 14 July 2009 in cash or up to 2 million more shares at an issue price of 4.75 cents each.

Tranche 3 is now due on 21 January 2010 (instead of 7 January 2010 as previously). The amount due to Golden Cross increased by \$500,000 from \$600,000 to \$1.1 million of which a minimum \$200,000 will be payable in cash and the balance in newly issued Tasman shares at a 5% discount to the 5 day VWAP (volume weighted average share price) at that time.

GOLDEN CROSS RESOURCES AT A GLANCE

Directors and Secretary

Mr Chris Torrey, Director, Chairman
(Chairman since 13 January 09)

Mr Kim Stanton-Cook, Managing Director

Mr Hui (Steven) Xiao, Business Development Director
(since 13 January 2009)

Mr Xiaoming Li, Director
(since 13 January 2009)

Mr Kerry McHugh, Director
(until 13 January 2009)

Ms Xun (Suzanne) Qiu, Director
(since 13 January 2009)

Mr David Timms, Director

Mr Daven Timms, Alternate Director for Mr David
Timms

Mr Simon Lennon, Company Secretary

Number of Shareholders

On 21 January 2009,
Golden Cross had 3023 shareholders.

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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 \$3.2 million.

Issued Capital

Golden Cross' issued capital is approximately 729.9 million shares. There are 13 million employee options exercisable at 10 cents each on or before various dates up to 4 July 2013. There are also 5 million employee options exercisable at 8 cents each on or before 31 March 2011.

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.