



QUARTERLY REPORT **June 2009**

14 July 2009

KEY POINTS

General Outlook

Golden Cross received further funding of \$2 million from HQ Mining Resources Holding Pty Ltd (the Australian investment vehicle of China United Mining Investment Co., Ltd, CUMIC) on 17 June 2009, in accordance with the strategic alliance entered into between them on 22 December 2008.

Golden Cross commenced a systematic review of advanced copper and copper gold projects around the world to identify those suitable for investment utilising the strategic alliance with HQ and CUMIC.

Golden Cross is examining new options for the Copper Hill sulphide roaster concept.

Golden Cross funded projects

- Copper Hill, NSW: porphyry copper-gold deposit processing options now include a remote roaster and acid recovery plant close to port and rail. Golden Cross has identified other copper sulphide suppliers that could share roasting facilities.
- Burra Copper Project near Cobar, NSW: drilling in progress to test extensions of the intersections reported in the March Quarter.

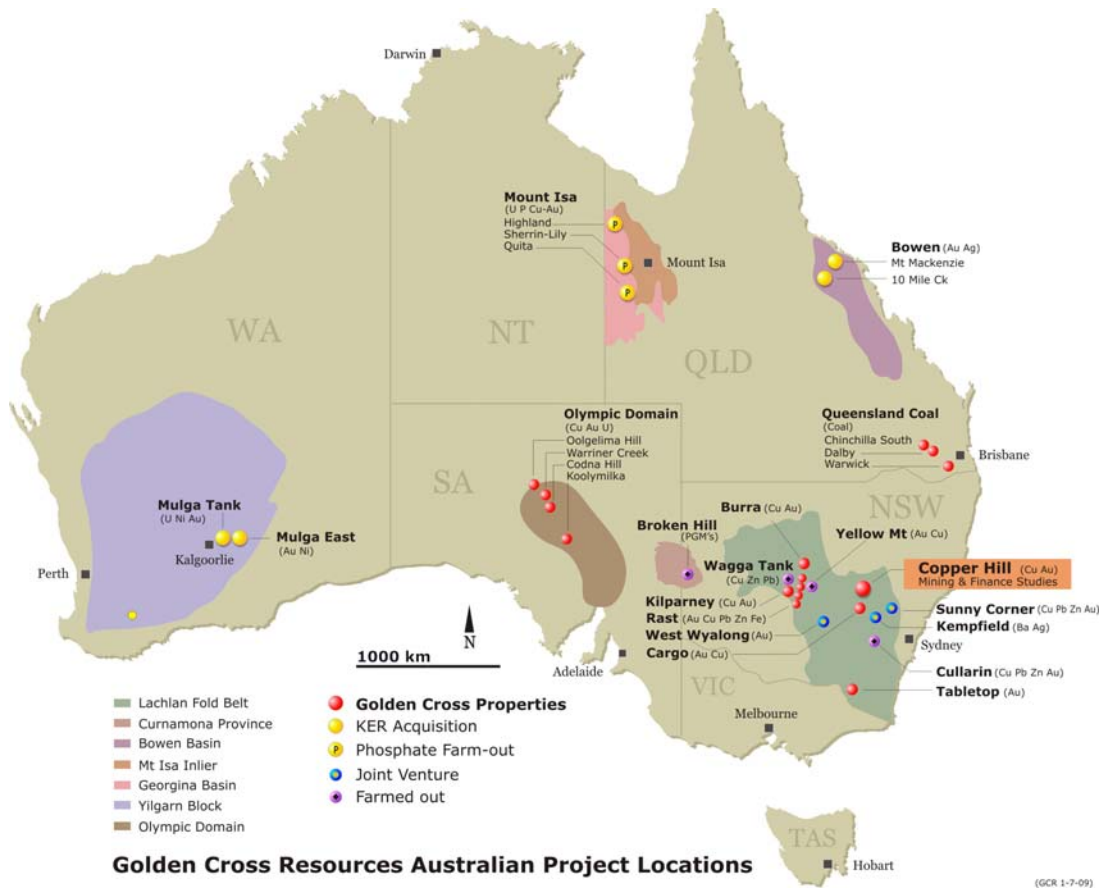
Golden Cross farmed out projects

- Kempfield, NSW: Commencement of a scoping study for a heap leach project to produce silver was announced by Argent Minerals Limited. The study is based on a revised resource estimate containing 13 million ounces of silver. Metallurgical test work continued at Sunny Corner and drilling was undertaken at Mt Dudley and West Wyalong.

Fundraising

- The \$2 million funding Golden Cross received on 17 June 2009 will be recorded as a loan in the 30 June 2009 accounts of the company. Golden Cross will shortly convene a shareholders meeting to consider and if thought fit pass a motion to issue 97,560,976 shares in Golden Cross at 2.05 cents each to HQ in full satisfaction of Golden Cross' obligation to repay that loan.
- Golden Cross has appointed accountants Grant Thornton and geologists Peter Goldner & Associates the independent experts to report to shareholders whether the proposed issue would be "fair and reasonable" to shareholders other than HQ and its associates.
- At 30 June 2009, Golden Cross held cash reserves of approximately \$4.2 million.

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EXPLORATION PROPERTIES

Golden Cross funded projects

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

Progress has been made in advancing the roaster option in the production flow-sheet for the Copper Hill Project. There are compelling arguments to establish a larger scale roaster, electrical power co-generation, and acid recovery plant near port and rail facilities. If this can be achieved in co-operation with other copper sulphide producers, substantial savings in unit production costs will be achieved.

Potential sulphide concentrate producers in south-eastern Australia have been identified. Golden Cross has begun discussions with the owner of a high quality copper sulphide resource close to rail facilities to canvas possible synergies with Copper Hill. Golden Cross is also reviewing potential acid markets.

As well as producing a copper and gold-rich calcine for leaching, the sulphide-powered, autogenous roaster will generate considerable heat, which can be harnessed for power generation. The roaster produces sulphur dioxide, which will be recovered and converted to sulphuric acid to be used in leaching copper from the calcine with excess acid production available for sale. The process should also entitle the operators to carbon credits.

Golden Cross presented China National Automation Control System Corporation (CACS) in Beijing with the Copper Hill Project data during the June Quarter. CACS personnel will visit Australia in the September quarter for further discussions. CACS will

investigate whether it can provide, at reasonable cost, a fully integrated mill and plant for copper-gold concentrate production and a roaster with SX-EW (solvent extraction electrowinning) copper plate, bullion gold, acid, and calcine products. A single, large Chinese manufacturing company in a competitive global environment may be able to assist in reducing capital costs for the project.

Copper Hill contains a JORC compliant resource of 133 million tonnes at 0.31% copper and 0.28g/t gold containing 421 thousand tonnes of copper and 1.2 million ounces of gold. Copper Hill has a low waste-to-ore strip ratio, very good milling and metallurgical characteristics, and excellent infrastructure. Copper Hill concentrates could be loaded on to rail on site and carried direct to the roaster facility under consideration.

Meanwhile, results from soil sampling over areas peripheral to Copper Hill have been received. Zones of weak to moderate copper and gold anomalism have been defined and will be followed up in the September Quarter.

Burra, NSW (near Cobar, 15 sq km, GCR 100%, copper, also zinc-lead and gold/silver)

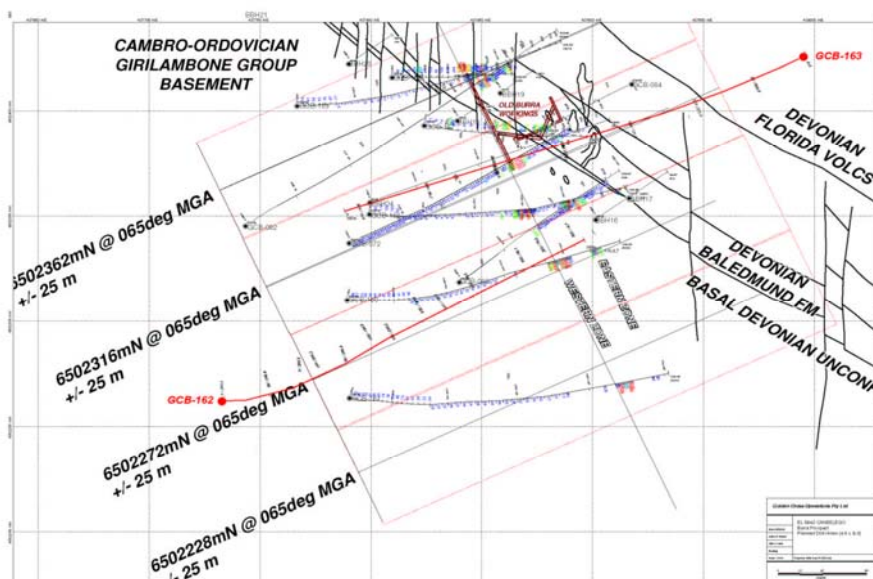
The Burra Copper deposit, with its adjacent zinc-lead lenses and extended plunge geometry, appears to have many of the hallmarks of the typical Cobar-style deposits. There appear to be several stacked lenses over a strike length of 150 metres or more. True thicknesses are difficult to estimate but range from 5 to 10 metres and there is a consistent plunge of the mineralised envelope extending over 150 metres, remaining open at depth and to the south-east.

Further drilling has commenced to test extensions of the mineralisation reported previously, in particular the intercepts, using a 0.5% copper cut-off, in:-

- GCB-158: 6m @ 1.00% copper from 200m.
- GCB-160: 17m @ 0.98% copper from 187m.
- GCB-161: 9m @ 0.83% copper from 220m.

All of these intercepts include zones exceeding 1% Cu calculated at a 1% cut-off, providing a possible vector towards deeper ore grade mineralisation using the Cobar-style deposit model.

Plan below shows two of the four holes planned at Burra, GCB-162 and GCB-163.



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

Following anomalous gold intercepts (~0.5g/t gold over 5 to 10m intervals) returned from RC drilling in the March quarter, Golden Cross will review data to refine further targets. The Cargo property has widespread copper and gold mineralization hosted by similar lithologies to the Cadia style deposits 18 kilometres east. Many of the Cargo zones have not been drill tested below 200 metres depth.

Rast, NSW (North and south of Nymagee and southeast of Cobar, **2800sq km**, GCR 100%, copper, gold, channel iron maghemite, zinc-lead)

At the Rast Trough Project, Golden Cross has more than 100 kilometres strike length of the prospective contact position between Ordovician deep water and shallow water facies southwards along strike from the Nymagee, Hera, and Hebe gold and base metal deposits. There are a multitude of secondary targets; magnetic highs, magnetic lows and some anomalous gold geochemistry in the Rast Trough. In addition, there is widespread development of iron-rich channel deposits throughout Golden Cross' very large tenement holding. Golden Cross is planning air core drilling to test and sample four target situations:-

- 1) Channel iron deposits selected using airborne magnetic data,
- 2) Base-of-channel gold and base metals anomalies,
- 3) Bedrock beneath channels and
- 4) Secondary targets in proximity to the channels.

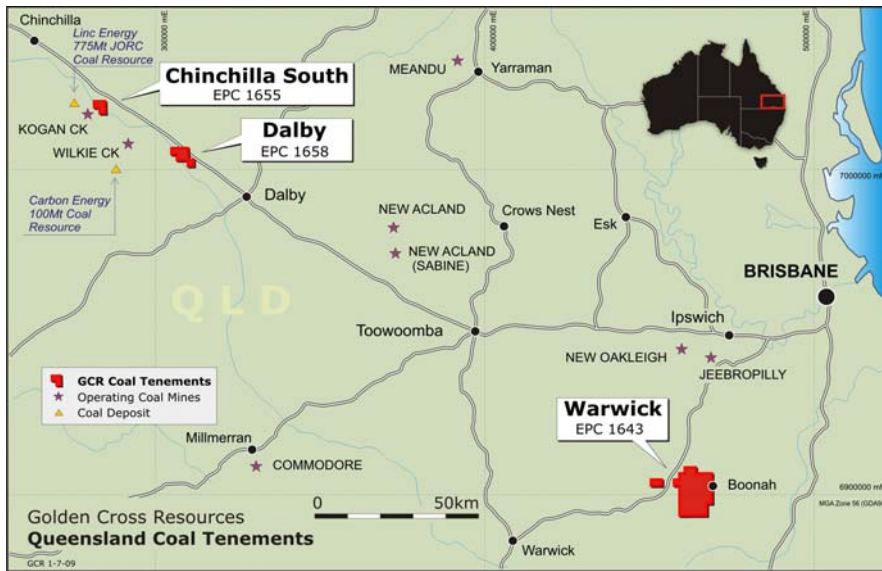
Mount Isa, Qld (876 sq km, GCR 100%, uranium, phosphate, copper and gold. Legend International Holdings may earn 80% interest in phosphate minerals by spending \$3 million by 7 December, 2012)

Under the joint venture agreement with Legend International, Golden Cross retains rights to all minerals other than phosphate. As announced on 3 March 2009, processing of airborne radiometric data from a survey by Legend generated significant anomalies. Of the initial 20 anomalies, 11 priority one anomalies at Quita Creek [EPM14905] were selected for ground reconnaissance. A total of 25 rockchip samples were collected from the selected anomalies where a source of high radioactivity could be located using a spectrometer. Analytical results revealed uranium values to 180ppm. It is not clear at this early stage if this uranium is related to leakage from a deeper source. A report on the field work was received at end of the quarter and is being reviewed.

Queensland Coal (southeast Queensland, 165 sq km, GCR 100%, coal)

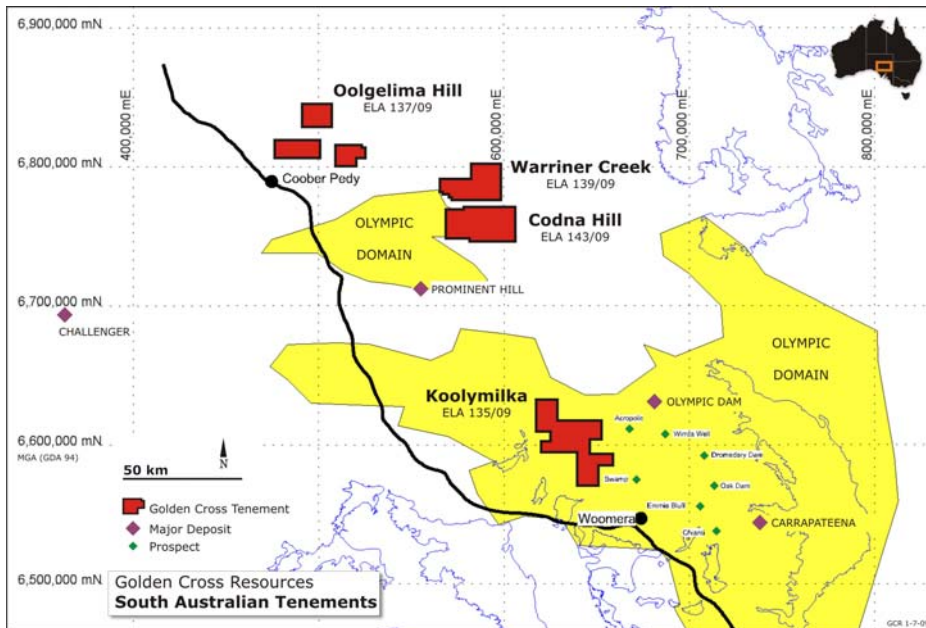
The Queensland Department of Natural Resources and Mines has offered Golden Cross three coal tenements in the Chinchilla, Warwick, and Dalby areas. Golden Cross has made a further four applications in southeast and central Queensland. These areas may have potential for Underground Coal Gasification (UCG), a well-understood technical process by which coal beds can be treated, by heating in situ, to produce syngas which can be further refined to produce fuels such as synthetic diesel. While the technical aspects of the process are well known, full scale application is in its infancy. Golden Cross intends to carry out initial test work to determine the suitability of its new areas for treatment by UCG.

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South Australia (copper, gold, uranium)

Golden Cross continued to evaluate opportunities for copper-gold projects in South Australia. Following a presentation by PIRSA geologists at the South Australian Resources & Investment Conference in May, Golden Cross lodged four licence applications over coincident gravity and magnetic features in, and adjacent to, the prospective Olympic Domain.



Labrador, Canada (658 sq km, GCR may earn 50% by spending C\$5.5m by 15 August, 2013, uranium)

Golden Cross withdrew from the Nuiklavik joint venture in May 2009.

Golden Cross is considering plans for future work at Notakwanon in 2009. Drilling in this part of Labrador is high cost, requiring continuous helicopter support. Although the high grade (+ 3% U₃O₈) rock chips are encouraging a delay pending more capital raising is considered prudent at this time. Expenditure on the Notakwanon tenements over the last two years has been sufficient to meet provincial government requirements.

Panama (applications totalling 800 sq km, GCR Panama 90%, MapIntek 10%, gold and copper)

Progress continues to be made on GCR Panama's six porphyry copper application areas. The areas under application are prospective for porphyry copper-gold (+/- molybdenum) mineralisation as typified by two of Panama's largest (+ 1 billion tonnes @ 0.7% copper) undeveloped porphyry deposits, Cerro Colorado and Petaquilla. Since the end of the June quarter, Golden Cross has prepared and sent all necessary paperwork to Panama to complete the application process.

Golden Cross' farmed-out projects

Golden Cross has farmed out seven of its projects: Mt Isa (Legend), Wagga Tank (OzMin), Kempfield, Sunny Corner and West Wyalong (Argent), Cullarin (Tri Origin) and Yellow Mountain (CBH). Significant activity on relevant joint venture properties during the quarter is summarised below.

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)

On 17 April 2009, Argent announced that it intended launching a drilling campaign at Kempfield and was reviewing its tenement data to finalise potential gold targets. A 12 RC hole drilling program at Mt Dudley was undertaken in June targeting shallow gold mineralization along strike from the historic mine workings. Argent announced on 9 July that the drilling had outlined a shallow gold zone that could potentially provide additional material for its proposed heap leach project at Kempfield, some 4km to the west. Further drilling is proposed.

On 28 April 2009, Argent announced that heap leach test work had led experts Kappes, Cassiday and Associates Australia to conclude that "Overall, the Kempfield BJ Zone material appears to be an excellent candidate for low cost heap leach processing based on the easy to moderate crushing characteristics, good silver recoveries, excellent agglomeration characteristics and low to moderate reagent consumptions." Based on this test work and on a revised resource estimate Argent announced that it had commenced work on a scoping study for a heap leach project to produce silver at the Kempfield tenement.

Sunny Corner, 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)

On 1 April 2009, Argent announced noteworthy assay results for five vertical diamond (HQ) holes drilled to obtain samples for metallurgical testing.. The combined base metals (CBM) copper-lead-zinc grades in 4 of the 5 holes exceeded the average resource grade of 6.2% CBM, with some exceeding 20% CBM. Hole ASM03 yielded 4m at 303.8g/t Silver. Metallurgical (flotation) testwork is in progress.

West Wyalong, NSW (137 sq km, GCR 100%, silver and base metals) (Argent Minerals may earn up to 70% by spending \$1.03 million by 1 June 2013)

On 7 April, 2009, Argent announced it intended to undertake an 8 hole RC drilling programme to test a number of gold and gold/copper targets on the tenement.

Golden Cross' Investments

Tasman Goldfields

Since the end of the June quarter, Tasman Goldfields Limited announced it has entered into an option agreement for a \$25 million development joint venture with Australian private resources company AusCan Gold Ltd (AusCan) to develop Tasman's Challenger and Mt Adrah gold projects in New South Wales. Golden Cross holds 19.83% of the 75,633,335 issued shares of Tasman.

Under the Adelong sale agreement of 2007 (as amended in January 2009), Golden Cross retained certain rights in respect of assets in the Adelong Goldfields until completion of all Tasman's payment obligations. In consideration of Golden Cross consenting to Tasman entering its option agreement with AusCan, Tasman and Golden Cross amended Tasman's Tranche 2B and Tranche 3 payment obligations under the Adelong sale agreement as set out below.

Under the amended terms of tranche 2B, Tasman shall pay Golden Cross \$95,000 in cash as soon as it is received from AusCan Gold, but in all events before 31 July 2009.

Tranche 3 obliges Tasman to pay Golden Cross \$1.1 million on 21 January 2010. A minimum \$200,000 would 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. Under the amended terms of tranche 3, Tasman's option to pay shares is further limited to the maximum number of shares that keeps Golden Cross' shareholding in Tasman below 20% of the issued shares of Tasman at that time.

GOLDEN CROSS RESOURCES AT A GLANCE

Directors and Secretary

Mr Chris Torrey, Chairman
Mr Kim Stanton-Cook, Managing Director
Mr Hui (Steven) Xiao, Business Development Director
Mr Xiaoming Li, Director
Ms Xun (Suzanne) Qiu, Director
Mr David Timms, Director
Mr Daven Timms, Alternate Director for Mr David Timms
Mr Kerry McHugh, Board Consultant
Mr Simon Lennon, Company Secretary

Number of Shareholders

On 13 July 2009, Golden Cross had 2,985 shareholders.

ASX Listing Code

Golden Cross' ASX listing code is GCR.

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Issued Capital

Golden Cross' issued capital is approximately 809.9 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.

Cash Balance

At the end of the quarter, Golden Cross' cash balance was approximately \$4.2 million.

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.