

GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

ASX ANNOUNCEMENT

12 December 2002

GOLD TARGETS IDENTIFIED AT CARGO

HIGHLIGHTS

- **New zone of anomalous chargeability revealed, adjoining Spur-Dalcoath gold resource containing 3.7 million tonnes at 1.24 g/t for 147,000 ounces of gold.**
- **Survey shows a close correlation between gold mineralisation and the margins of the chargeability anomaly.**
- **Zone of higher chargeability (> 30 millivolts per volt) extends for over 2.8 km.**
- **Several old gold mines lie within or adjacent to the zone of higher chargeability.**
- **Drilling of targets will commence early in the new year.**

CHARGEABILITY ANOMALIES IDENTIFIED

Falcon Minerals, previously known as Yardarino, has completed an induced polarisation survey over an area of approximately 9 square kilometres at Cargo in NSW as part of a joint venture with Golden Cross Resources whereby Falcon can earn a 70% interest by spending \$3 million on exploration by 3 September 2006. The survey, designed to cover the Cargo Intrusive Complex, has outlined an extensive chargeability zone, almost 2.8 km long and up to 500m wide. Very high chargeability anomalies between 30 and 200 mV/V were recorded. A reading of 30mV/V is considered to be a significant response in this geological environment.

The northern part of the anomaly forms a broad arcuate feature concave to the west. Potassically-altered intrusive rocks occur on the western side of the anomaly and are associated with a large area of highly anomalous copper (>600ppm) in soils and rock samples. On the convex eastern side, gold mineralisation in old workings, drill holes, rocks and soil samples is located on the leading edge. At surface the anomaly coincides with areas of both phyllic alteration and magnetite in volcanic rocks.

GOLD RESOURCE POTENTIAL

The anomaly is believed to represent an extensive zone of sulphide-bearing rock with potential to host copper and gold mineralisation similar to the nearby Cadia-Ridgeway mine. The Spur-Dalcoath inferred gold resource containing 3.7 Mt at 1.24 g/t is located on the southern end of the anomaly in a zone of moderate chargeability.

The IP response resembles portions of an IP anomaly at the Copper Hill porphyry copper-gold prospect approximately 40km to the north, where broad intersections of economic copper and gold mineralisation have previously been intersected.

DRILLING PLANNED

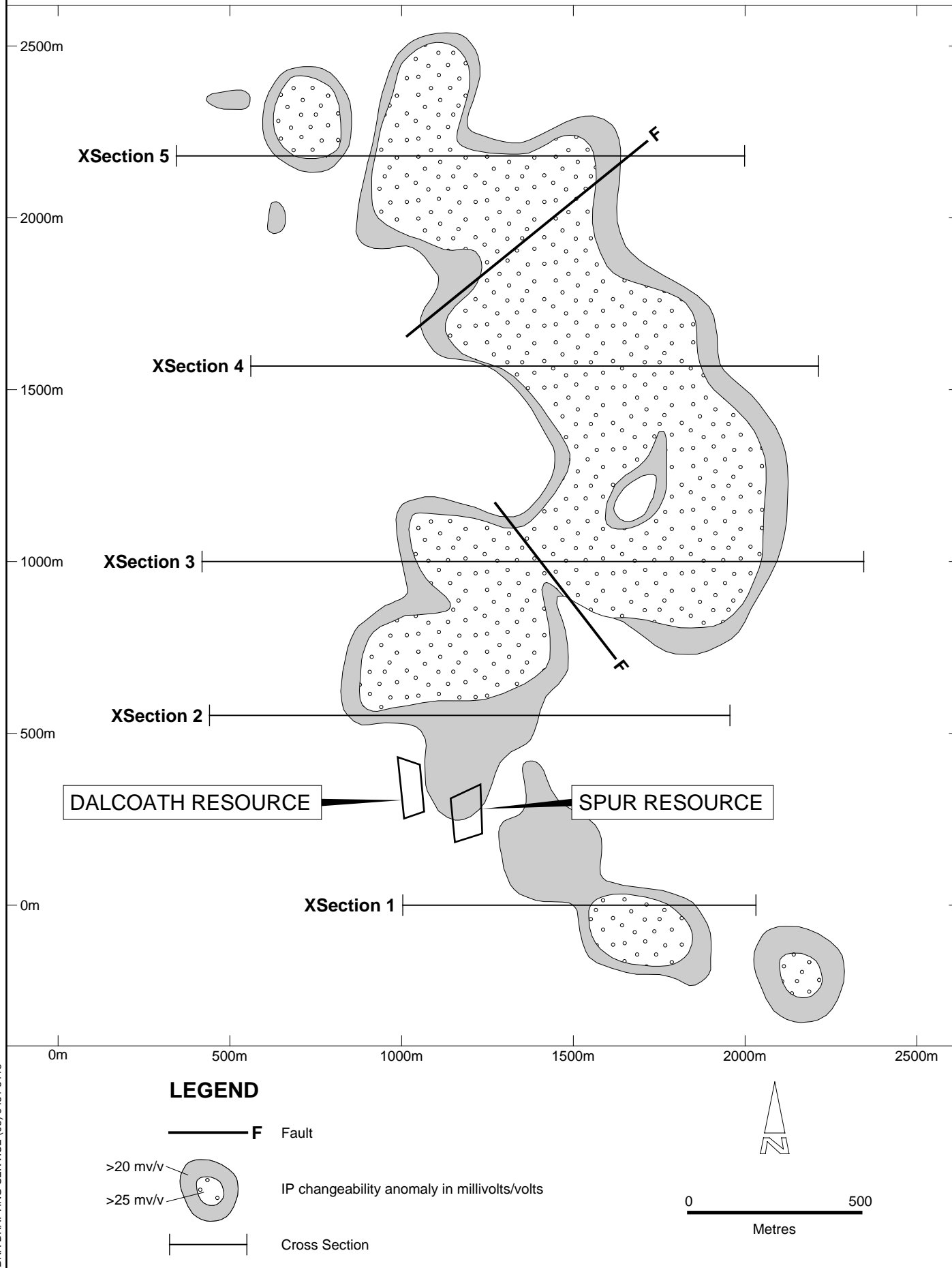
Falcon Minerals and GCR will use the survey results to target drill holes to test for Cadia and Ridgeway-style mineralisation. Cargo is located 12 km west of Ridgeway, lies within rocks of similar age, and contains a similar style of mineralisation. Cadia Hill alone produces in the order of 270,000oz of gold and 22,000 tonnes of copper per annum from a measured resource in the order of 260 Mt at 0.73 g/t gold and 0.17% copper.

*Enquiries/requests to receive announcements by email: David Timms, Managing Director,
Ph (02) 9482 8833, email address: david.timms@goldencross.com.au*

This report was prepared by David Timms, Managing Director and full time employee of Golden Cross Resources Ltd, who is a Fellow of the AIG and AusIMM and has more than five years experience in the field of activity in which he is reporting.

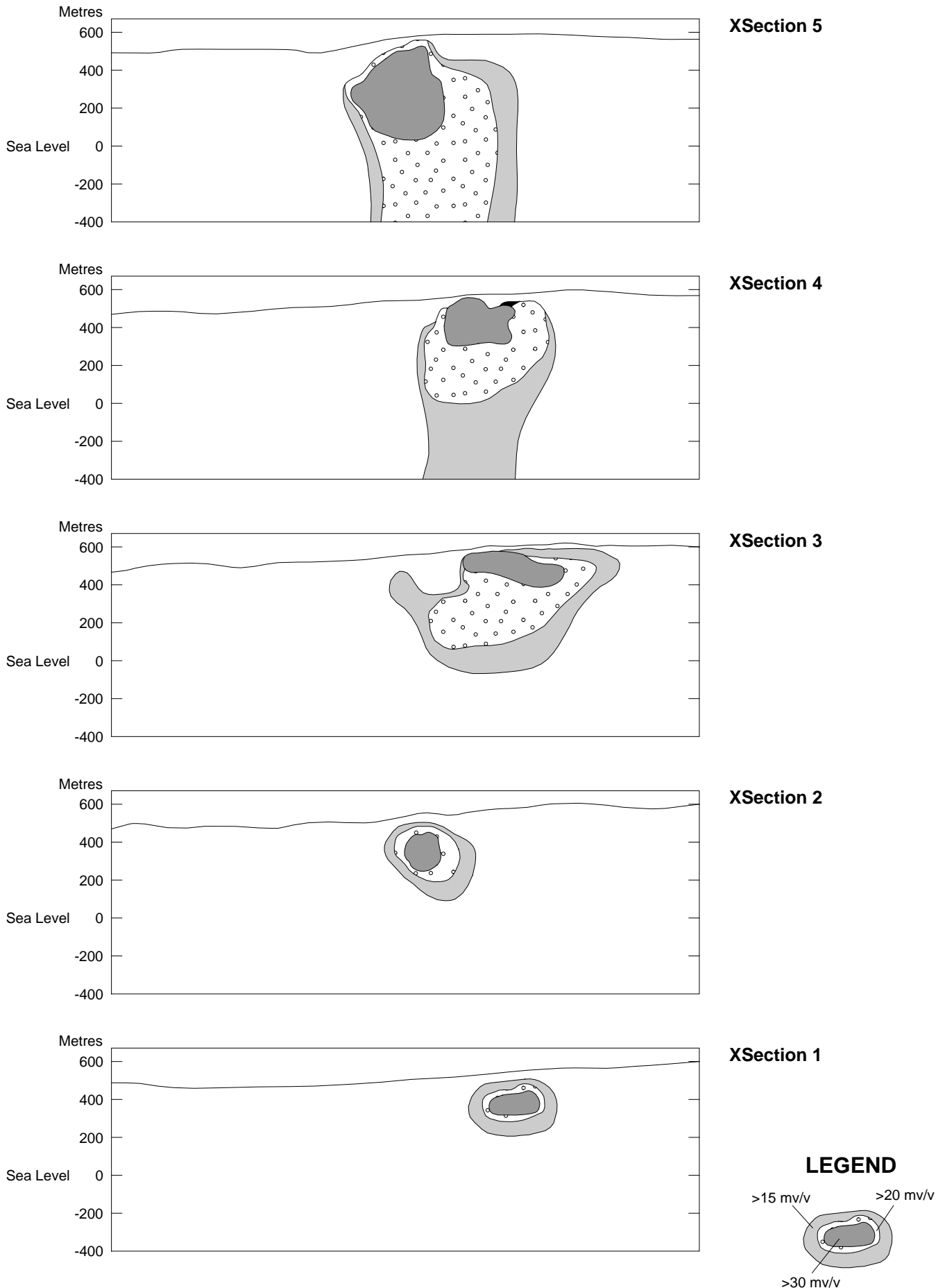
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Plan of Cargo Copper/Gold Project Induced Polarization Anomalies



FALCON MINERALS LTD and GOLDEN CROSS RESOURCES LTD

Cross Sections of Cargo Copper/Gold Project Induced Polarization Anomalies



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