

GOLDEN CROSS RESOURCES LTD

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ASX ANNOUNCEMENT

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GCAP NOMINATES TEN TARGET AREAS ON GCR-SIPA JV GROUND AT BROKEN HILL

Gravity Capital Limited ("GCap") has advised the GCR-Sipa Broken Hill Joint Venture that it has selected the maximum number of target areas on the GCR-Sipa Broken Hill Joint Venture ground. GCap has nominated a total of ten areas on GCR-Sipa ground, representing more than half of the total of 18 areas nominated by GCap at Broken Hill.

GCap's decision was based on results from the recent airborne survey utilising BHP Billiton's proprietary Falcon™ gravity technology, designed to identify world-class orebodies hidden under cover. Survey results were released today to the public at the NSW Minerals Conference in Sydney.

Under the Joint Venture Agreement between GCap and GCR-Sipa, GCap could nominate a maximum of ten target areas, each up to five square kilometres in area. GCap now has until 31 August 2004 to carry out preliminary testing on target areas, and until 31 January 2007 to complete a bankable feasibility study on any target area. GCap's rights are freely assignable to BHP Billiton, under the terms of the GCap-BHP Billiton Falcon™ System Deployment Agreement. Once GCap (or BHP Billiton) complete a bankable feasibility study, GCR and Sipa will each hold a 24.5% interest in the joint venture over that target area.

Concurrent with exploration by GCap on the GCR-Sipa ground, Sipa will be conducting its own exploration on this ground. Sipa may earn a 70% interest in the GCR-Sipa ground by completing a bankable feasibility study by 2 May 2008. GCR would then hold a 30% interest. Sipa must meet minimum annual expenditures ranging from \$250,000 to \$3 million, for a total of \$8.25 million, until completion of a bankable feasibility study or withdrawal.

GCR Managing Director, David Timms, said today

"GCR is pleased with the outcome of GCap's efforts to date, which has produced ten target areas on GCR-Sipa Broken Hill JV ground, and will see both GCap and Sipa actively exploring that ground in the future."

GCR is a gold and base metals explorer, searching in NSW for large deposits in highly prospective mineral belts, providing significant potential upside for the speculative investor.

GCR holds significant mineral tenement positions within the highly prospective Lachlan Fold Belt of Eastern NSW as well as in the Curnamona Craton of Western NSW, which contains the world class Broken Hill orebody.

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This report was prepared by David Timms, 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.