



22 Edgeworth David Ave  
Hornsby NSW 2077  
Phone (02) 9482 8833  
Fax (02) 9482 8488

## **ASX ANNOUNCEMENT**

23 November 2004

### **Canbelego Gold Intersections**

Further to the announcement on 27 September 2004 of an intersection of 5 m at 39.8 g/t gold in drillhole GCB-30 at the Birthday Prospect, and follow-up drilling results announced on 1 October 2004, GCR has completed a follow-up shallow scout drilling program and an induced polarisation ("IP") geophysical survey. Results have been received for a further 17 shallow RC drillholes (numbered GCB-36 to 52) for a total of 714 m.

The drilling was conducted at the Birthday and New Haven prospects (Figure 2), situated within GCR's 100%-owned Canbelego exploration licence located approximately 40 km east of Cobar in NSW (Figure 1). The drilling was aimed at following-up the high grade gold intersection in hole GCB-30 and testing for new gold zones in the vicinity of old workings and encouraging rock chip sampling results. A small RC drill rig was used, only capable of drilling to 25 m to 60 m depth, with most of the holes drilled to 30 m – 40 m depth.

Best results are set out below, including the result for hole GCB-30 drilled in September, repeated for reference. All holes were drilled at an azimuth of 90 degrees.

#### **Results of RC drilling at Birthday and New Haven Prospects, Canbelego, November 2004**

Hole No.	Prospect	MGA Easting (m)	MGA Northing (m)	Hole Depth (m)	Dip (deg)	From (m)	Intercept (m)	Gold (g/t)
GCB-30	Birthday	435997	6507482	116	-55	1	5	39.8
			Incl.			4	1	159.75
GCB-37	Birthday	435965	6507415	28	-60	20	8	1.97
GCB-38	Birthday	435998	6507436	40	-60	6	32	0.35
GCB-42	Birthday	435960	6507525	36	-60	14	4	0.43
GCB-49	New Haven	436786	6508945	25	-55	22	3	7.25
			incl.			22	2	10.50

The two best recent intersections were at the end of holes GCB-37 and GCB-49. These will be followed-up from today using a larger, more powerful, RC drill rig.

Since the above program, a further seven shallow scout RC holes for approximately 170 m have been drilled immediately to the south of ML 311, and two shallow scout holes have been drilled at Wealth of Nations prospect (Figure 1), for which results are awaited.

#### **Mt Boppy Gold Operation**

Private mining company Polymetals currently controls six mining leases at Mt Boppy (Figure 2), producing approximately 25,000 oz of gold each year. Two of these leases, ML 311 and MPL 240 are surface leases for tailings and dump purposes, with the ground beneath them (from 2 m and 3 m depth respectively) being part of GCR's EL 5842.



Historic drilling indicates the presence of shallow, high grade mineralisation extending into GCR ground beneath ML 311, immediately to the south of the current Polymetals pit in GL 3255 (See Figure 2 Longitudinal Section). Drill intersections on this GCR ground include 12 m at 5.03 g/t from 12m below surface and 11 m at 6.0 g/t from 36 m below surface.

This southern extension has received little drill testing and has potential to host significant ore, both near surface and at depth. Drill holes have been planned to determine how far this mineralisation extends to the south and at depth.

## **Mt Boppy Gold Production History**

The Mt Boppy Gold Mine, in its heyday, was the largest gold producer in NSW. Discovered in 1896, between 1901 and 1922 over 1 million tonnes of ore was mined at an average recovered grade of 12.4 g/t gold, producing about 13 tonnes (425,000 oz) of gold. The lode was mined over a strike length of 400 m and to a depth of 240 m. At the “600 ft” level (180 m depth) in the old underground mine, a 108 m strike length of the lode averaged 6.7 m in width and returned 23 g/t gold.

The mine was also the site of Australia’s first CIP plant, erected in the 1970s to treat tailings. While intermittent mining and retreatment of tailings took place after the closure of the mine in the 1920s, the first serious effort to re-open the mine was undertaken by Polymetals in 2001. The first pit, located over the old workings, produced approximately 25,000 ounces of gold per annum from around 150,000 tonnes of ore. GCR estimates that total historic production from the mine, including all hard rock and tailings re-treatment activities, exceeds 500,000 oz.

## **Exploration Potential**

GCR’s 100%-owned EL 5842 surrounds the Polymetals mining leases and extends two kilometres to the north and 30 km to the southeast, for a total area of 216 square kilometres (Figure 1). Various portions of GCR’s Canbelego property are subject to a 10% free carried interest held by Metallic Resources Pty Ltd, a 5% net profits interest payable to Nosebi Mining & Management Pty Ltd and a 5% net profits interest payable to Polymetals Pty Ltd. Of the above interests, only the 5% net profits interest payable to Nosebi is relevant to the area near Mt Boppy.

The geological setting of Mt Boppy is repeated in a series of folds and faults within the Exploration Licence. Within a five kilometre radius of the mine there are approximately 30 known historic workings and prospects, and significantly more historic exploration pits. Similarly, a number of geochemical anomalies occur, defined by rock chip, RAB and soil sampling, some associated with old workings and others as yet unexplained. Systematic drill evaluation of these prospects has not been undertaken to date.

A number of prospects have already returned encouraging results. For example, as previously reported, rock chip sampling by GCR of the remnants of two quartz veins at the old Mt Boppy South working returned an average of 9.6 g/t gold from 16 samples collected over a 50 m strike length. Samples ranged in grade from 1.65 g/t gold to 53 g/t gold. As reported, subsequent drilling outlined a number of near-surface gold-bearing quartz veins with intersections including 8 m at 5.2 g/t gold and 3 m at 10.8 g/t gold.

Historic production figures from a number of old workings around the Mt Boppy mine indicate that small tonnages of high grade ore were recovered. For example, the West Boppy Mine produced about 80 ounces of gold at a grade of 11 g/t gold and the Birthday Mine produced a similar amount at about 38 g/t gold. The recorded grade at Reid and Rankens Mine was 15 g/t gold and the Canbelego King Mine returned grades of over 20 g/t gold. Recent sampling by GCR of mullock dumps adjacent to the Wealth of Nations workings has returned one result assaying 20 g/t gold.



GCR has recently completed an IP geophysical survey designed to look for sulphides and silicified zones beneath cover rocks to the south of the mine. This delineated some significant IP anomalies associated with discrete magnetic or resistivity anomalies that could also host gold mineralisation (see hatched areas in Figure 1). Seven areas have been prioritised for drill testing.

A deep RC drilling program at Canbelego is due to commence today, with a large RC drilling rig, capable of drilling to 250 m below surface, scheduled to commence drilling this afternoon. The program will consist of 12 holes for approximately 1,500 m, with the deepest hole planned for 200 m depth.

The repetition of the Mt Boppy geological structures and the abundance of old workings and widespread gold mineralisation within GCR's EL 5842 provides GCR with encouragement that similar gold resources may be located close by. A target of 250,000 to 500,000 ounces of open-pittable ore is not unreasonable given the history of the district.

GCR Managing Director, David Timms, said today:

“The geology of the Mt Boppy mine is repeated in many places within GCR's 100%-owned Canbelego Exploration Licence and there is no reason we cannot find another Mt Boppy (a 500,000 ounce deposit) nearby. The district is well known for its gold resources, with historic production of the nearby Cobar Gold Field and new mine inventories totalling in excess of 3.5 million ounces. I look forward to sharing with you over the next two months the results from our two current drilling programmes.”

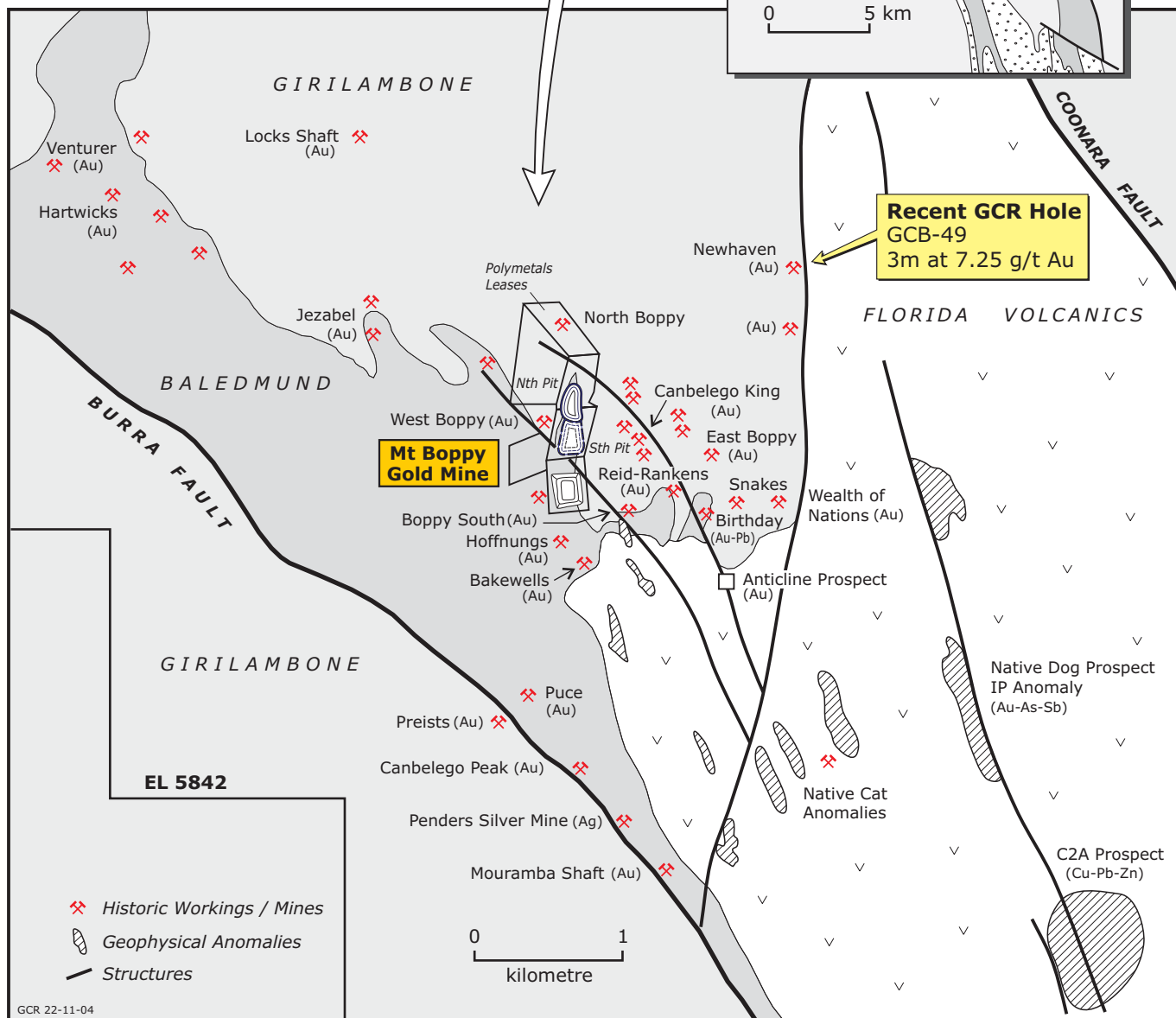
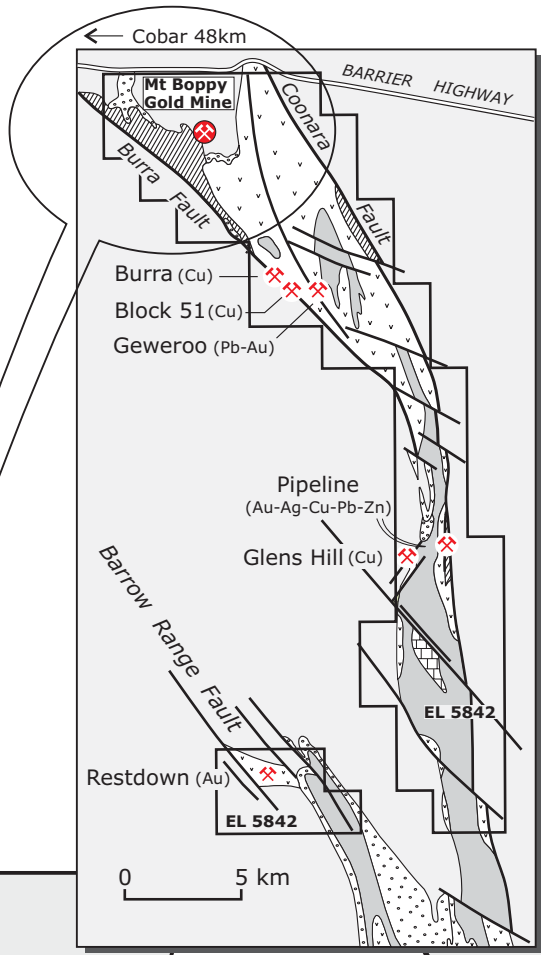
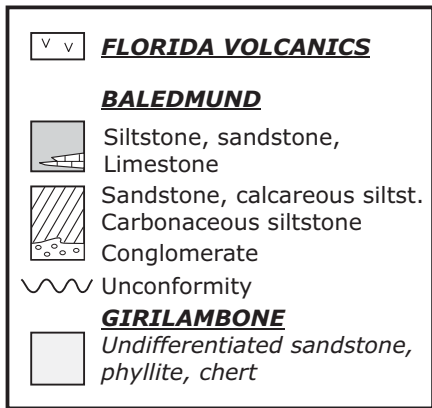
Enquiries: [david.timms@goldencross.com.au](mailto:david.timms@goldencross.com.au)

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*Golden Cross 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.*

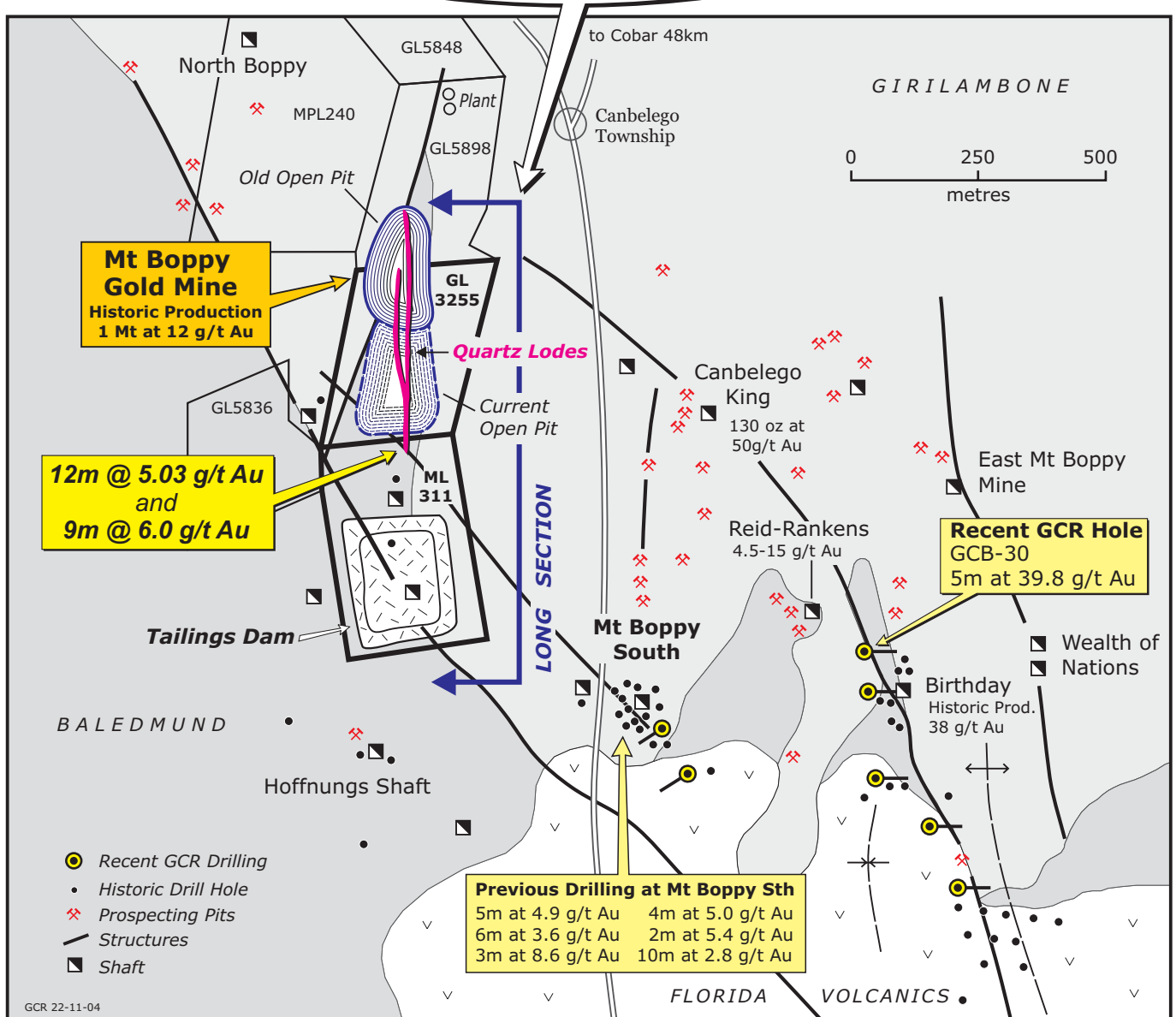
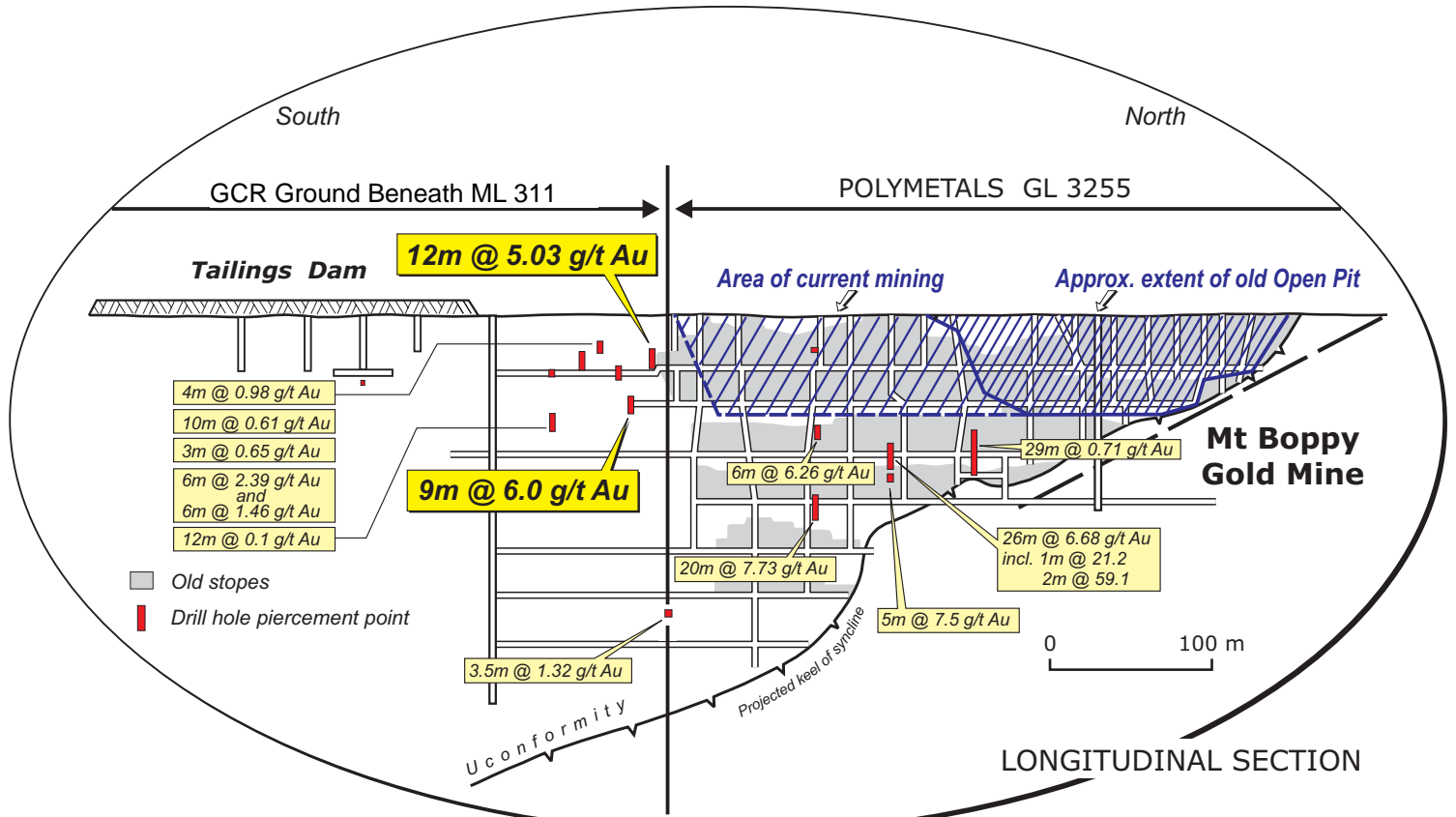
*The Company holds significant mineral tenement positions within the Lachlan Fold Belt, which contains Cadia-Ridgeway, the highest gold site revenue earner in Australia. Golden Cross also holds a major land position in the Curnamona Province of western NSW, which contains the world class Broken Hill orebody, the largest deposit of its type in the world.*

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



GCR 22-11-04

Canbelego Project REGIONAL PROSPECTS  
FIGURE 1



Canbelego Project  
FIGURE 2