



# GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

22 Edgeworth David Ave  
Hornsby NSW 2077 Australia  
Phone 612 9482 8833  
Fax 612 9482 8488

## ASX ANNOUNCEMENT

13 May 2005

### Acquisition of Royalty over Mt Boppy Gold Mine at Canbelego

Golden Cross has entered into an agreement with private mining group Polymetals to acquire a 3% gross outturn royalty on production from Polymetals' Mt Boppy Gold Mine located at Canbelego in NSW.

#### Royalty Terms

In return for Golden Cross' consent to a Mining Lease Application by Polymetals over part of Golden Cross' EL 5842, consisting of approximately 160 ha shown in Figure 1, together with Golden Cross ground at depth beneath MPL 240 and ML 311, the parties have agreed to the following terms:

1. payment to Golden Cross of \$32,000 cash;
2. payment to Golden Cross of a 3% gross outturn royalty on metals mined from the MLA area, including Polymetals' six existing leases at Mt Boppy, commencing on signing of a formal Royalty Deed;
3. the minimum royalty payable shall be 750 ounces of gold. In the event that production ceases at Mt Boppy for a continuous period in excess of six months, except in the case of force majeure, Polymetals will pay Golden Cross the unpaid amount of the minimum royalty, by way of monthly payments of 50 ounces of gold, which amounts paid shall be treated as an advance royalty in the event that production later resumes;
4. the royalty agreement between the parties dated 24 August 1999, providing for a 5% net profits interest royalty on the area of former EL 5295, is terminated; and
5. the Canbelego Farm-in and Joint Venture Agreement between Polymetals, GCO and GCR dated 25 November 2003 is terminated.

Nosebi Mining and Management Pty Ltd and Downmill Pty Ltd will receive a total of 5% of the above royalty and cash payments.

Golden Cross Managing Director, David Timms, said today:

"Polymetals has since May 2002 produced 49,500 oz of gold from the Mt Boppy Gold Mine, which in the early 1900s was the largest gold producer in NSW.

The royalty deal with Polymetals provides Polymetals with room to expand its pit and tailings storage capacity at the Mt Boppy Gold Mine, which in turn will benefit Golden Cross through receipt of a 3% gross royalty. The minimum royalty payable of 750 ounces of gold is worth \$410,000 at today's prices, but the mutual hope of the parties is that this will be the tenor of the annual payment, based on sustained gold production from Mt Boppy over years to come.

In the meantime Golden Cross is aggressively exploring the Mt Boppy environs, at Hardwicks, New Haven and other prospects, in the search for another Mt Boppy gold deposit."



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## **Mt Boppy History**

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. Golden Cross estimates that total historic production from the mine, including all hard rock and tailings re-treatment activities, exceeds 500,000 oz.

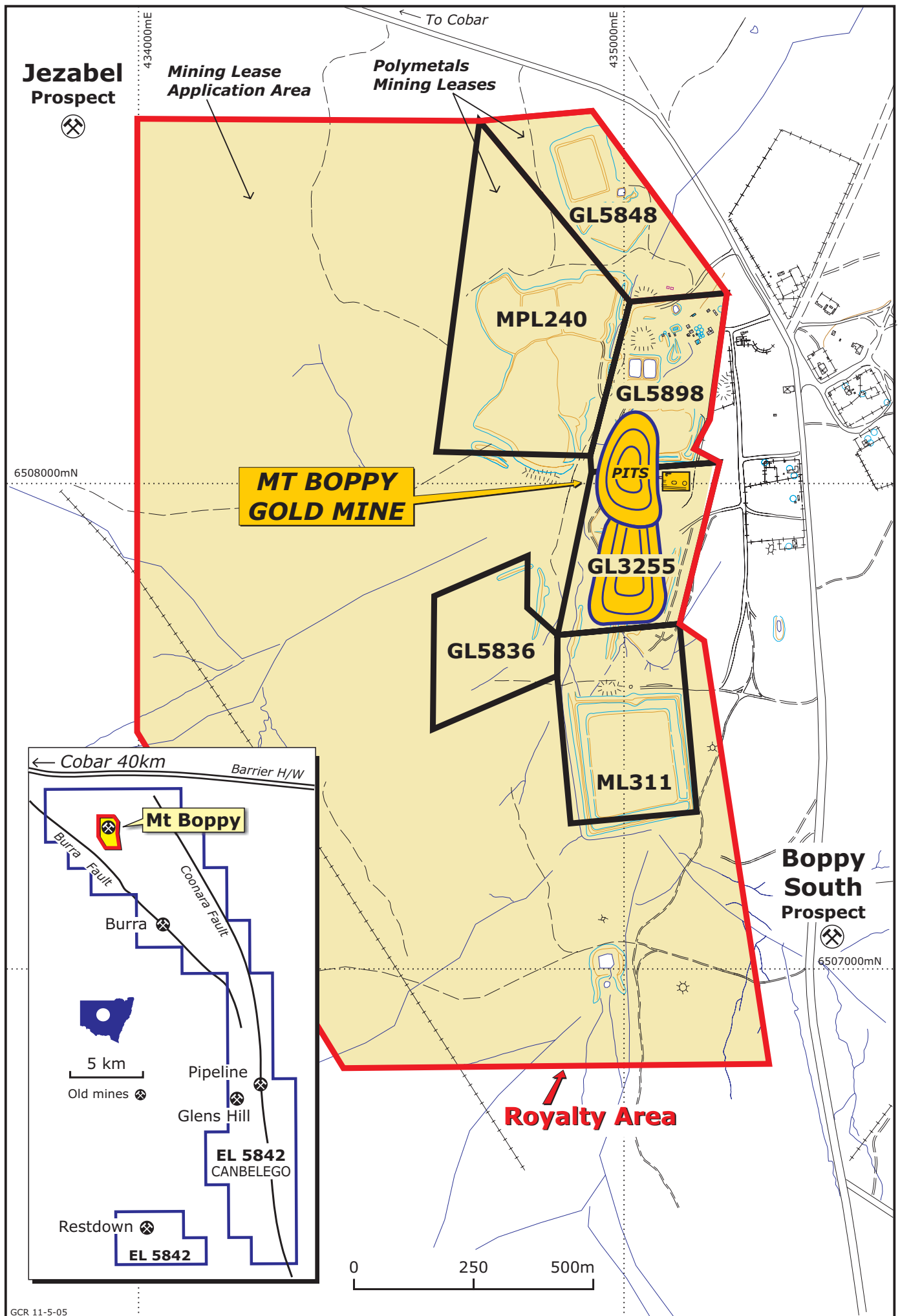
Enquiries: [david.timms@goldencross.com.au](mailto:david.timms@goldencross.com.au)

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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.*



Mt Boppy: ROYALTY AREA  
Figure 1