

GOLDEN CROSS RESOURCES LTD

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2005 Annual General Meeting of the members of Golden Cross Resources Ltd ("Company" or "GCR") will be held at History House, 133 Macquarie St, Sydney, NSW on Wednesday 9 November 2005 at 4.00 pm for the following business:

1. Financial Report

To receive and consider the Financial Report and the reports of the Directors and Auditor for the year ended 30 June 2005.

2. Re-election of Christopher Ryan as a Director

To consider and, if thought fit, pass as an Ordinary Resolution:

"That Mr Christopher Ryan, being a Director retiring by rotation in accordance with Rule 17.2 of the Company's Constitution, and who offers himself for re-election as a Director, be re-elected as a Director of the Company."

Further information in relation to Resolution 2 is set out in the Explanatory Notes, below.

3. Ratification of the Issue of Shares

To consider and, if thought fit, pass as an Ordinary Resolution:

"To ratify, for the purposes of ASX Listing Rule 7.4, the issue and allotment of the following ordinary fully paid shares in the Company, as set out below:

<i>Date</i>	<i>No. Shares</i>	<i>Allottees</i>	<i>Price</i>
<i>7.2.05</i>	<i>19,500,000</i>	<i>State One Stockbroking Ltd and clients of Cameron Stockbrokers Limited</i>	<i>5.5c</i>

The shares, all quoted on ASX, have the same terms as the Company's existing ordinary shares.

Further information in relation to Resolution 3 is set out in the Explanatory Notes, below.

4. Ratification of the Issue of Shares

To consider and, if thought fit, pass as an Ordinary Resolution:

"To ratify, for the purposes of ASX Listing Rule 7.4, the issue and allotment of the following ordinary fully paid shares in the Company, as set out below:

<i>Date</i>	<i>No. Shares</i>	<i>Allottee</i>	<i>Price</i>
<i>4.3.05</i>	<i>4,000,000</i>	<i>Private investors</i>	<i>5.5c</i>

Further information in relation to Resolution 4 is set out in the Explanatory Notes, below.

5. Issue of shares to Managing Director by way of Salary Sacrifice under the Golden Cross Resources Employee Share Acquisition Scheme

To consider and, if thought fit, pass as an Ordinary Resolution:

"That Mr David Timms, Managing Director, be issued with ordinary fully paid shares in the Company, under Listing Rule 10.14, in the number and by the date set out below, under the Golden Cross Resources Employee Share Acquisition Scheme re-approved by shareholders at the Company's 2002 Annual General Meeting:

<i>To be Issued by</i>	<i>No. of Shares</i>	<i>Allottee</i>	<i>Issue Price</i>
<i>9.12.05</i>	<i>1,052,631</i>	<i>David Timms</i>	<i>3.8c</i>

The shares, to be quoted on ASX, will have the same terms as the Company's existing ordinary shares.

Further information in relation to Resolution 5 is set out in the Explanatory Notes, below.

6. Renew Approval of Golden Cross Resources Employee Share Acquisition Scheme

To consider and, if thought fit, pass as an Ordinary Resolution:

"That the continued operation of the Golden Cross Resources Employee Share Acquisition Scheme contained in the document submitted to this meeting and signed by the Chairman of

Directors for the purposes of identification be approved."

Further information in relation to Resolution 6 is set out in the Explanatory Notes below.

7. Approval of Proportional Takeover Provision

To consider and, if thought fit, pass as a Special Resolution:

"That the Company's Constitution be amended by renewing Rule 8.13 (Proportional Takeover Provision Rule), the previous approval of which has expired, so that Rule 8.13 will have effect until 9 November 2008."

Further information in relation to Resolution 7 is set out in the Explanatory Notes, below.

8. Remuneration Report

To consider and, if thought fit, pass as a non-binding resolution:

"That the Remuneration Report be adopted."

Further information in relation to Resolution 8 is set out in the Explanatory Notes below.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on the resolutions by the following person(s) and any associate of that person(s).

Resolutions 3 and 4

A person who participated in the issue.

Resolutions 5 and 6

A Director of the Company or their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

VOTING ENTITLEMENTS

In accordance with Regulation 7.11.37 of the *Corporations Regulations*, the Company has determined that for the purposes of the meeting, shares will be taken to be held by those persons recorded on the Company's share register at 4.00 pm Sydney time on Monday 7 November 2005. This means that if you are not the registered holder of a relevant share at that time you will not be entitled to attend and vote at the meeting.

EXPLANATORY NOTES

Resolution 2 – Re-election of Christopher Ryan as a Director

Christopher Ryan retires as a Director in accordance with Rule 17.2 of the Company's Constitution and, being eligible, offers himself for re-election.

He is the principal of Westchester Corporate Finance, a corporate advisory business located in Sydney with a focus on the resources sector. Formerly a Director, Corporate Finance Division, Schroders Australia Limited. He has had extensive experience in providing financial and corporate advice to mining and petroleum companies and as a director and chairman of listed public companies in the mining and petroleum industries.

He is also Chairman of Bligh Ventures Limited (director since 2003) and Blue Ensign Technologies Limited (director since 2002), and a director of Bentley International Limited (since 2003) and Scarborough Equities Limited (since 2004).

Resolution 3 – Ratification of Share Issue

This resolution seeks to ratify the issue of ordinary fully paid shares in the Company made by way of a placement during February 2005.

The issue raised \$1,072,500 for exploration work. The allottees were State One Stockbroking Ltd, and sophisticated investor clients of Cameron Stockbrokers Ltd. The shares, all quoted on ASX, have the same terms as the Company's existing ordinary shares.

Ratification of the issue will go towards renewing the Company's 15% new issue capacity in accordance with ASX Listing Rule 7.4.

Resolution 4 – Ratification of Share Issue

This resolution seeks to ratify the issue of ordinary fully paid shares in the Company made by way of a placement during March 2005.

The issue raised \$220,000 for exploration work. The allottees were Central Exchange Limited, St Barnabas Investments Pty Ltd <The Melvista Family A/c>, and Pannin Pty Ltd <The Selok Family A/c>. The shares, all quoted on ASX, have the same terms as the Company's existing ordinary shares.

Ratification of the issue will go towards renewing the Company's 15% new issue capacity in accordance with ASX Listing Rule 7.4.

Resolution 5 – Issue of shares to Managing Director by way of Salary Sacrifice under the Golden Cross Resources Employee Share Acquisition Scheme

Introduction

The Company maintains the Golden Cross Resources Employee Share Acquisition Scheme (“SAS”) re-approved by shareholders at the 2002 AGM. The SAS enables the Company to partly remunerate its employees and Directors in shares instead of cash

Issues to Directors under SAS since last approval

Since the re-approval of the SAS on 27 November 2002 the following Directors (and none of their associates) received shares under the SAS:

Date Issued	No. of Shares	Allottees	Issue Price
24.12.02	731,250	David Timms	6c
24.12.02	166,667	Kerry McHugh	6c
13.11.03	487,500	David Timms	9c
10.12.04	1,250,000	David Timms	5c
10.12.04	120,000	Chris Torrey	5c
Total	2,755,417		

All Directors of the Company, Christopher Ryan, Kerry McHugh, David Timms, Chris Torrey and Daven Timms (Alternate Director), are entitled to participate in the SAS, however this year only David Timms has elected to participate.

It is proposed to issue shares to David Timms, Managing Director, as set out in Resolution 5. If this resolution is passed, each share will be issued by 9 December 2005 at an issue price of 3.8 cents, being GCR’s weighted average share price over the three months prior to preparation of this notice.

Summary of SAS rules

The Board offers participation in the SAS to all employees and Directors as part of a salary sacrifice arrangement whereby up to half of the remuneration package may be in shares acquired under the SAS. The Board considers the SAS to be an appropriate means of providing an incentive to employees while conserving the Company’s cash resources.

A special purpose trust was created to administer the SAS. Shares acquired on behalf of a participant are registered in the name of the trustee in separate accounts for each participant. Participants are entitled to direct the trustee how to vote the shares held on their behalf. Shares held by the trust will also qualify for any rights and bonus issues.

The total number of shares issued under the SAS and held in trust will not exceed 15% of the total number of GCR’s issued shares at any time, and those shares issued under the SAS in any year

will not exceed 7.5% of the total number of GCR’s issued shares.

Shares are issued under the SAS on terms that qualify for a tax deferral concession enabling participants to defer tax beyond the date on which the shares were acquired. To qualify for the tax deferral, shares awarded under the SAS will be subject to disposal restrictions.

Proposed Issue of Shares under the SAS

David Timms has elected to sacrifice \$40,000 of his remuneration, for the year to 9 November 2006, by way of participation in the SAS. At an issue price of 3.8 cents, being GCR’s weighted average share price over the three months prior to preparation of this notice, the proposed sacrifice of remuneration in the amount of \$40,000 under the SAS represents 1,052,631 ordinary shares in the Company.

Other than in the event of a takeover bid, the shares cannot be released from trust to David Timms until 9 November 2006. Other than in the event of a takeover bid, if David Timms has not held office during the whole of the year to 9 November 2006, the number of shares able to be released from trust will be calculated based on the proportion of the year he actually held office and the shares representing the proportion of the year he did not hold office shall be forfeited.

Resolution 6 – Renew Approval of Golden Cross Resources Employee Share Acquisition Scheme

Directors wish to renew the approval for the Golden Cross Resources Employee Share Acquisition Scheme (“SAS”) for the purposes of Listing Rule 7.2, Exception 9. The SAS enables the Company to remunerate its employees and Directors in shares instead of cash.

Participation in the SAS is offered by the Board to all employees and Directors as part of a salary sacrifice arrangement whereby up to half of the remuneration package may be in shares acquired under the SAS.

The Board considers the SAS to be an appropriate means of conserving the Company’s cash resources.

A special purpose trust administers the SAS. Those employees and Directors under a salary sacrifice arrangement may have shares acquired on their behalf under the SAS. At times when the Board wishes to preserve the Company’s cash resources, such shares will be acquired by way of new issues of shares. The issue price of the shares will be equal to the weighted average price of GCR shares for the three months immediately preceding the issue date, rounded to the nearest tenth of a cent. At the discretion of the Board, shares may also be acquired by stock market purchases. Shares acquired on behalf of

a participant will be registered in the name of a trustee in separate accounts for each participant.

The total number of shares issued under the SAS and held in trust will not exceed 15% of the total number of GCR's issued shares at any time, and those shares issued under the SAS in any year will not exceed 7.5% of the total number of GCR's issued shares.

Participants are entitled to direct the trustee how to vote the shares held on their behalf. Shares held by the trustee will also qualify for any rights and bonus issues.

Shares will be awarded under the SAS on terms that qualify for a tax deferral concession enabling the participants to defer tax beyond the date on which the shares were acquired. To qualify for the tax deferral, shares awarded to employees under the SAS will be subject to disposal restrictions.

The taxing point is deferred until the earliest of the following events:

- the lifting of the disposal restrictions;
- when the employee ceases to be employed by the Company or a subsidiary; or
- the end of 10 years from the date the shares were acquired on the employee's behalf.

Where the Board of Golden Cross Resources has determined that a participant has committed any act of fraud, misappropriation or gross misconduct in relation to the affairs of the Company or a subsidiary, the participant shall forfeit any right or interest in the shares held on behalf of the participant under the SAS. Provided none of the above acts has been committed the Board will lift this condition in respect of shares acquired under the SAS and will do so in the event of a takeover bid.

Since its adoption by shareholders in 1999, the Company has issued 5,718,346 shares to employees and Directors under the SAS, resulting in a cash saving to the Company of \$441,269.

A disadvantage, if Resolution 6 is passed, is the dilutory effect on the Company's share price, due to the increased number of shares on issue.

A copy of the SAS Rules will be mailed free of charge to shareholders on request to Daven Timms, Company Secretary, phone +61(2) 9482 8833.

Resolution 7 – Approval of Proportional Takeover Provision

The Directors recommend the renewal of the proportional takeover provision in GCR's Constitution to protect the interests of shareholders in the event a proportional takeover bid is made to members of GCR.

Wording of Proposed Rule 8.13

The proposed Rule 8.13 is set out in italics, below:

"8.13 Proportional Takeovers

(a) Subject to the Listing Rules and the SCH Business Rules, but notwithstanding any other provision of this Constitution, the Directors may refuse any transfer of Shares giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover scheme under section 618(1)(b) of the Corporations Act unless and until a resolution to approve the takeover scheme is approved in accordance with the provisions of Schedule 3.

(b) This Rule 8.13 ceases to have effect on the third anniversary of the date of its adoption, or last renewal, in accordance with the Corporations Act.

Schedule 3

Plebiscite to Approve Proportional Takeover Scheme

1. In this Schedule:

"Approving Resolution" means a resolution to approve a Takeover Scheme made in accordance with the provisions of this Schedule.

"Takeover Scheme" means a takeover scheme made in accordance with section 618(1)(b) of the Corporations Law in respect of a Relevant Class of Shares in the Company.

"Relevant Class" means the class of Shares in the Company to which a Takeover Scheme relates.

2. *The registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a Takeover Scheme is prohibited unless and until an Approving Resolution is passed or is deemed to have been passed in accordance with the provisions of this Schedule.*
3. *An Approving Resolution will be voted on at a meeting of those Members of the Company (other than the offeror under the Takeover Scheme or any associate of the offeror) who held Shares in the Relevant Class at the end of the day on which the first offer under the Takeover Scheme was made.*
4. *The meeting referred to in paragraph 3 will be:*
 - (a) *convened and conducted by the Company;*
 - (b) *conducted in accordance with the provisions of this Constitution relating to meetings of Members with such modifications as the circumstances require; and*
 - (c) *convened such that the Approving Resolution is voted on before the day which is 14 days before the end of the offer period under the Takeover Scheme,*
and only the persons entitled by paragraph 3 to attend the meeting are entitled to vote on the Approving Resolution.
5. *Subject to this Constitution, each person entitled to vote on the Approving Resolution is entitled to one vote for each Share in the Relevant Class held by them.*
6. *The Approving Resolution will be taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise will be taken to have been rejected.*
7. *If at the end of the day 15 days before the end of the offer period under the Takeover Scheme no resolution to approve the Takeover Scheme has been voted on in accordance with this Schedule, then for the purposes of this Schedule, a resolution to approve the Takeover Scheme will be deemed to have been passed in accordance with this Schedule."*

Effect of Rule 8.13

The effect of renewal of Rule 8.13 is that if a proportional takeover is made to members of GCR, the Directors of GCR will be required to convene a meeting of members to vote on a resolution to approve the proportional takeover. That meeting must be held at least 15 days before the offers under the proportional takeover scheme close.

The resolution will be taken to have been passed if a majority of shares voted at the meeting, excluding the shares of the offeror and its associates, vote in favour of the resolution. If no resolution is voted on at least 15 days before the close of the offer the resolution will be deemed to have been passed. Where the resolution approving the offer is passed or deemed to have been passed, transfers of shares resulting from accepting the offer (provided that they are otherwise registrable) will be registered. If the resolution is rejected, then in accordance with the Corporations Act the offer will be deemed to be withdrawn.

If Rule 8.13 is adopted, in accordance with section 648G of the Corporations Act the provisions of Rule 8.13 will expire three years after adoption unless renewed by a further special resolution.

Reasons for Proposing Resolution

A proportional takeover scheme for GCR may enable effective control of GCR to be acquired without members having the opportunity to dispose of all of their shares to the offeror. Members could be at risk of passing control to the offeror without payment of an adequate control premium for all their shares while leaving themselves as part of a minority interest in GCR.

Without Rule 8.13, if there was a proportional takeover scheme and members considered that control of GCR was likely to pass, members would be placed under pressure to accept the offer even if they did not want control of GCR to pass to the offeror. The proposed Rule 8.13 will make this situation less likely by permitting members to decide whether a proportional takeover scheme should be permitted to proceed.

Presently Proposed Acquisitions

As at the date on which this Notice was prepared, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in GCR.

Potential Advantages and Disadvantages for the Directors and Members of GCR

Rule 8.13 will enable the Directors to formally ascertain the views of members in respect of a proportional takeover scheme. Without such provision, the Directors are dependent upon their perception of the interests and views of shareholders. Other than this advantage, the Directors consider that Rule 8.13 has no potential advantages or potential disadvantages for them, as they remain free to make a recommendation on whether a proportional takeover offer should be accepted.

Shares in GCR are reasonably widely held with the result that an acquisition of a shareholding of much less than 50% may be sufficient to enable an acquirer to gain effective control of GCR. In the past, offerors have been able to "front-end"

their acquisition by offering a higher than usual price for the proportion of shares to which the proportional takeover scheme relates in order to obtain control of a company. Thereafter the shares in a company may be less marketable where it is known that there is a controlling member. This may allow the offeror to mop up the remaining minority interests at a lower price at a later date.

The Directors consider that the proposed Rule 8.13 will advantage all members in that they will have an opportunity to consider a proportional takeover scheme and then attend or be represented by proxy at a meeting of members called specifically to vote on the proposal. Accordingly, members will be able to prevent a proportional takeover scheme proceeding if there is sufficient support for the proposition that control of GCR should not be permitted to pass under the scheme. Furthermore, knowing the view of members assists each individual member in assessing the likely outcome of the proportional takeover scheme and whether to accept or reject that offer.

As to the possible *disadvantages* to members of proposed Rule 8.13, it may be argued that the proposal makes a proportional takeover scheme more difficult and that such proportional takeover schemes will therefore be discouraged. This may reduce the opportunities members may have to sell all or some of their shares at a premium to persons seeking control of GCR and may reduce any takeover speculation element in GCR's share price. The proposed Rule 8.13 may also be considered an additional restriction on the ability of individual members to deal freely in their shares.

GCR has never received a proportional takeover bid, so there are no actual examples against which to review the advantages and disadvantages of Rule 8.13 for the Directors and members of GCR.

The Board considers the proposed Rule 8.13 to be in the interests of members.

Resolution 8 – Remuneration Report

As required by section 249L of the *Corporations Act 2001* for financial years ending on or after 1 July 2005, the Remuneration Report of the Company must be laid before the annual general meeting.

The Remuneration Report is set out in the Directors' Report, on page 17 of GCR's 2005 Annual Report. It is also available on GCR's website at www.goldencross.com.au

The report explains the policy behind GCR's remuneration practices and sets out remuneration details for each Director.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting. While there is a requirement for a formal resolution on this item under section 250R(2) of the *Corporations Act 2001*, the resolution is advisory only and does not bind the Company or the Directors.

PROXIES

To be effective, proxy forms must be received by the Company at the above address or fax number at least 48 hours before the time for holding the meeting.

A member entitled to attend and vote is entitled to appoint not more than two persons as his/her proxy to attend and vote instead of the member. A proxy need not be a member of the Company. If more than one proxy is appointed, the proxy form may specify the proportion or number of the member's votes that each proxy may exercise, but if the proxy form does not specify a proportion or number of votes then each proxy may exercise half of the member's votes.

Dated 28 September 2005 by order of the Board.

DAVEN TIMMS
Company Secretary