

Golden Cross Resources Ltd
ABN 65 063 075 178



SUPPLEMENTARY PROSPECTUS

1. INTRODUCTION

This document is a Supplementary Prospectus in relation to Golden Cross Resources Ltd's Entitlements Offer and Shortfall Offer to Shareholders dated 18 November 2005. It supplements the Company's Prospectus dated 18 November 2005 ("**Prospectus**").

This Supplementary Prospectus should be read together with the Prospectus. If there is any inconsistency between this Supplementary Prospectus and the Prospectus, this Supplementary Prospectus prevails to the extent of the inconsistency. Defined terms used in this Supplementary Prospectus have the meaning given to them in the text of this Supplementary Prospectus or in the glossary on page 27 of the Prospectus.

This Supplementary Prospectus is dated 19 December 2005 and was lodged with ASIC on that date. Neither ASIC nor ASX is responsible for the contents of this Supplementary Prospectus.

2. UNDERWRITING

Westchester Financial Services Pty Limited ("**Underwriter**") has underwritten the final 50 million New Shares and 25 million Options ("**Underwritten Securities**") under the Entitlements Offer under the Prospectus in the amount of \$1.75 million ("**Underwritten Amount**") in consideration of an underwriting fee of 3% ("**Underwriting Agreement**").

The number of Shares to be issued in the event that all Shareholders take up their Entitlement under the Entitlements Offer is approximately 87.1 million. Shareholders have also been offered the right to apply for Shortfall Shares, the allotment of which is subject to the discretion of the Directors. Under the terms of the Underwriting Agreement, if the total number of New Shares applied for under the Entitlements Offer plus the number of New Shares allotted under Shareholder Shortfall Applications exceeds 37.1 million, the Company will, subject to Shareholder approval, place additional Shares (and accompanying Options) with the sub-underwriters, in the amount equal to the excess, together with the remaining shortfall under the Offers, if any.



The Underwritten Securities are fully sub-underwritten. The Underwriting Agreement is conditional upon the performance of the sub-underwriters of their obligations under the sub-underwriting deeds.

In the event that the Entitlements Offer (including Shares allotted under Shareholder Shortfall Applications, but excluding any take-up by the Underwriter) is fully subscribed in the amount of approximately \$3 million, the issue of the Underwritten Securities will result in an additional 50 million Shares and 25 million Options being issued, and an additional \$1.75 million being raised, for a total of approximately \$4.8 million.

The terms of the Underwriting Agreement are summarised in section 10.

3. EXTENSION OF OFFER PERIOD

In order to give Shareholders time to consider details of the underwriting, the Directors resolved to extend the Closing Date of the Entitlements Offer and Shortfall Offer until 5.00 pm Sydney Time on Monday 16 January 2006.

4. INDICATIVE TIMETABLE

The indicative timetable for the Offers is now as follows:

Entitlements Offer

Prospectus and Entitlements and Acceptance Forms were despatched	1 December 2005
Offer closes – last day for acceptances and payment in full	16 January 2006
Despatch Date - last day for New Shares and Options to be entered into shareholders' holdings	24 January 2006

Shortfall Offer

Prospectus and Shortfall Application Forms were despatched	1 December 2005
Offer closes – last day for applications and payment in full	16 January 2006
Despatch Date - last day for New Shares and Options to be entered into shareholders' holdings	24 January 2006

The dates in the tables above are indicative only and may vary. The Company reserves the right to vary the closing dates of the Offers without prior notice. This may impact upon subsequent dates.

Bonus Option Issue

The timetable for the Bonus Option Issue will not change from that set out in the Prospectus - the record date is 22 December 2005 and the despatch date is 28 December 2005.

5. NOTICE OF GENERAL MEETING

The Company will convene a General Meeting of Shareholders on 20 January 2006 in order to seek Shareholder approval for the issue of the Underwritten Securities to the sub-underwriters and the Shortfall Securities to Shareholders and to seek approval for a number of Directors to participate in the Shortfall Offer.



6. SHAREHOLDERS MAY WITHDRAW THEIR ACCEPTANCE OR APPLICATION AND RECEIVE A REFUND

Due to the additional dilution that would result from the issue of the Underwritten Securities, the Company will give Shareholders an opportunity to withdraw their acceptances or applications as set out below.

In the event that the Entitlements Offer and Shortfall Offer are fully subscribed, the issue of the Underwritten Securities will result in an additional 50 million Shares being issued, which may take the Company's total number of Shares on issue to approximately 354,860,163, and an additional 25 million New Options being issued, which may take the Company's total number of New Options on issue to approximately 112,104,000. See the table on page 9 of the Prospectus for details of the Company's securities presently on issue.

Any Shareholder who has accepted the Entitlements Offer or made an application under the Shortfall Offer and would like to withdraw their acceptance or application may, at any time before 5.00 pm Sydney Time on Tuesday 3 January 2006, withdraw their acceptance or application and receive a refund of the subscription price of \$0.035 per share applied for ("**Subscription Price Refund**").

If Shareholders wish to obtain a Subscription Price Refund please contact the Share Registry:

Registries Limited
Level 2, 28 Margaret Street
SYDNEY NSW 2000, AUSTRALIA

PO Box R67
Royal Exchange
SYDNEY NSW 2000, AUSTRALIA
Phone (02) 9290 9600
Facsimile (02) 9279 0664
Email registries@registriesltd.com.au

7. APPLICATION OF FUNDS

Section 4.3 on page 8 of the Prospectus provided details of the proposed application of funds raised under the Prospectus, by way of a budget in the amount of \$3,050,000. In the event that the Entitlements Offer and Shortfall Offer are fully subscribed, the additional \$1,750,000 raised as a result of the Underwriting Agreement will result in total funds raised of approximately \$4,800,000, which will be applied as follows:

Project/Expense	Application of funds	Amount \$
Copper Hill	RC and diamond drilling program - resource definition drilling	2,200,000
	RC and diamond drilling program - exploration drilling	500,000
	Resource assessment and modelling	150,000
	Metallurgical test work	140,000
	Scoping and pre-feasibility studies	700,000
General working capital	Overhead expenditure and maintenance of Company's mineral properties	1,000,000
Capital Raising	Estimated Expenses of the Offers	110,000
Total		4,800,000

If less than \$4,800,000 is raised, work programs would be scaled back in the manner indicated on page 9 of the Prospectus.



8. FINANCIAL EFFECT OF THE OFFERS AND UNDERWRITING

The effect of the Offers and Underwriting Agreement on the audited Statement of Financial Position of the Company as at 30 June 2005, adjusted for the impacts of adopting AIFRS, is shown in the proforma post-issue Statement of Financial Position set out below based on the assumptions that:

- the Offers and Underwriting Agreement were effective as at 30 June 2005;
- all entitlements to New Shares and Options under the Offers are taken up and the Underwritten Amount is received by the Company; and
- \$4,690,000 is raised (after deduction of the expenses of the Offers and underwriting, estimated to be \$110,000).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AUDITED AS AT 30 JUNE 2005 AND UNAUDITED PROFORMA POST OFFERS

	30 June 2005	Proforma Post Offers
	\$'000	\$'000
CURRENT ASSETS		
Cash assets	1,808	6,498
Inventories	-	-
Other	381	381
TOTAL CURRENT ASSETS	2,189	6,879
NON CURRENT ASSETS		
Receivables	-	-
Investments	-	-
Exploration Properties, Plant and Equipment	13,267	13,267
Intangibles	5	5
TOTAL OF NON CURRENT ASSETS	13,272	13,272
TOTAL ASSETS	15,461	20,151
CURRENT LIABILITIES		
Payables	190	190
Provisions	36	36
TOTAL OF CURRENT LIABILITIES	226	226
NON CURRENT LIABILITIES		
Provisions	197	197
TOTAL NON CURRENT LIABILITIES	197	197
TOTAL LIABILITIES	423	423
NET ASSETS	15,038	19,728
EQUITY		
Contributed equity	25,434	30,124
Reserves	1,792	1,792
Accumulated Losses	(12,188)	(12,188)
TOTAL EQUITY	15,038	19,728



9. SUPPLEMENTARY INFORMATION AVAILABLE

For details of documents lodged with ASX since the date of the Prospectus, refer to the table below. The Company will provide free of charge to any person who requests it prior to the Closing Date a copy of any continuous disclosure notices given during the period starting after the lodgement with the ASIC of the Annual Report on 6 October 2005 and ending before the issue of this Supplementary Prospectus.

Table of Recent Announcements released to ASX

Date	Notice
21.11.05	Notice of Non-renounceable Entitlements Offer of Shares and Options
22.11.05	Final Day of Trading "cum" Entitlement
29.11.05	Appendix 3Y – Change of Director's Interest Notice
30.11.05	GCR Prospectus – Final Version
05.12.05	Copper Hill Drilling Results
09.12.05	Extension of Entitlements Offer
13.12.05	High Grade Drill Hole 64 at Copper Hill*
19.12.05	Partial Underwriting of Entitlements Offer

Note: *A copy of the announcement released to ASX on 13 December 2005 is appended to this Supplementary Prospectus.

10. SUMMARY OF TERMS OF UNDERWRITING AGREEMENT

Under the terms of the Underwriting Agreement, the Underwriter has agreed to underwrite the subscription of the Underwritten Securities.

The Underwriting Agreement is conditional upon the satisfaction of the following conditions precedent by no later than 23 December 2005 (or in the case of subparagraph (c), by 23 January 2006) or such other date as agreed in writing between the Company and the Underwriter:

- (a) the Underwriter approving the form and content of this Supplementary Prospectus;
- (b) this Supplementary Prospectus being lodged with ASIC; and
- (c) the convening of all Shareholders meetings, within 5 Business Days after the Closing Date, and the passing of all resolutions at such meetings necessary to give effect to or permit the issue of the Underwritten Securities.

The obligations of the Underwriter under the Underwriting Agreement are subject to the performance of each of the sub-underwriters of their respective obligations under the sub-underwriting deeds.

The Company shall have the sole right at its absolute and unfettered discretion, exercisable only by a unanimous resolution of all of the Directors, to accept or reject any sub-underwriter proposed or nominated by the Underwriter.

The Company shall issue the Underwritten Securities, even in the event that the Entitlements Offer is fully subscribed, provided that the sub-underwriting deeds have not been terminated. If one or more sub-underwriting deeds are terminated, the Underwritten Securities shall be reduced proportionately.

The Company must pay to the Underwriter an underwriting fee of 3% of the Underwritten Amount. In addition to the underwriting fee, the Company must refund all reasonable costs and disbursements incurred by the Underwriter in relation to the Underwriting Agreement.



The Company undertakes, until the date being 5 Business Days after the liability of the Underwriter ceases in accordance with the Underwriting Agreement, not to:

- (a) without the prior written consent of the Underwriter, alter its capital structure, amend its constitution (unless required by ASX), dispose of or agree to dispose of the whole or substantial part of any substantial asset or change or agree to change the whole or a substantial part of its main business undertaking;
- (b) propose to activate any share buy-back scheme or to issue or agree to issue or indicate in any way that it will or might issue any shares or any securities convertible into shares (unless required under an existing employee share or option plan or by the exercise of any existing options to subscribe for shares or with the prior written consent of the Underwriter); and
- (c) make any announcement as to the success or otherwise of the Entitlements Offer without the prior written consent of the Underwriter.

The Company gives certain undertakings with respect to the preparation of the Prospectus that mainly relate to compliance with the *Corporations Act 2001* and also gives certain warranties relating to (without limitation):

- (a) the power and authority of the Company to enter into the Underwriting Agreement;
- (b) compliance with the Company's constitution; and
- (c) that the entering into of the Underwriting Agreement by the Company has been duly approved and does not violate any judgment binding upon the Company, any applicable law or other relevant document.

The Underwriting Agreement gives the Underwriter the right to terminate the Underwriting Agreement without cost or liability to itself if certain specified events occur, including:

- (a) the All Ordinaries Index of the ASX falls below at close of trading on any Business Day a level that is lower than 90% of the level attained as at the close of trading on the date of the Underwriting Agreement;
- (b) a takeover bid is announced or made for the Company under Chapter 6 of the *Corporations Act 2001*;
- (c) any person (other than the Underwriter) who has previously consented to the inclusion of its name in the Prospectus withdraws such consent;
- (d) a person who is a director of the Company at the date of the Underwriting Agreement is removed from office or resigns as a director of the Company, is charged with an indictable offence, goes bankrupt or is otherwise required to vacate office as a director of the Company under Part 2D.6 of Chapter 2D of the *Corporations Act 2001*;
- (e) any information supplied by or on behalf of the Company to the Underwriter or any of its respective officers, employees, agents or advisers in relation to the Offers, the Prospectus or this Supplementary Prospectus is or becomes false or misleading;
- (f) the Company is or becomes insolvent;
- (g) the Underwriter has not entered into sub-underwriting deeds suitable in all respects to the Underwriter in its absolute discretion, for all of the Underwritten Shares not later than 3 days prior to the Closing Date;
- (h) to the extent of the number of Underwritten Securities that are the subject of a particular sub-underwriting deed entered into by the Underwriter, that agreement is terminated or rescinded or, in the opinion of the Underwriter acting reasonably, a sub-underwriter fails to perform any of its obligations under that sub-underwriting deed;



- (i) the Company enters into an agreement for the sale or other disposition of a substantial asset (as that term is defined in the Listing Rules);
- (j) there is a material adverse negative change in the financial performance of the Company or a material adverse negative change in the net tangible assets of the Company;

In addition, if one or more of the following events, in the reasonable opinion of the Underwriter, has or is likely to have a material adverse effect on the financial or trading position or prospects of the Company, or on the obligations of the Underwriter under the Underwriting Agreement, the Underwriter may also terminate the Underwriting Agreement under the following circumstances:

- (a) The Company defaults in a material respect in the performance of any of its obligations under the Underwriting Agreement or any of the undertakings, representations and warranties on the part of the Company contained in the Underwriting Agreement or any information supplied by the Company or a related body corporate or any person on their behalf to the Underwriter or its officers, employees, agents or advisers in respect of the Entitlements Offer ceases to be, or is found not to have been, true and correct in all material aspects;
- (b) the outbreak or escalation of hostilities (whether or not war is declared) involving any one or more of the following countries – the Commonwealth of Australia, the United Kingdom, the United States of America, the Republic of Indonesia, the Russian Federation, the People's Republic of China, Japan, Singapore, New Zealand or any country in which the Company carries on business, excluding any hostilities, military action, fighting, combat or peacekeeping action in relation to Afghanistan, Iraq, the Taliban or the offensive against Osama Bin Laden and Al Qaeda;
- (c) ASIC gives notice of intent to hold a hearing in relation to the Entitlements Offer or the Prospectus or Supplementary Prospectus or issues a stop order or its equivalent under the *Corporations Act 2001* or makes an application for an order under section 1324B of the *Corporations Act 2001* in relation to the Prospectus or Supplementary Prospectus, and that application has not been dismissed or withdrawn on or before the date 3 days after the close of the application list for the Entitlements Offer;
- (d) any of the following occurs which does or is likely to prohibit or to restrict the Entitlements Offer:
 - (i) the introduction of legislation into the parliament of the Commonwealth of Australia or any State or Territory of Australia;
 - (ii) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory; or
 - (iii) the adoption by ASIC or the Reserve Bank of Australia of any regulations or policy;
- (e) the Company or any related body corporate fails to comply with a material provision of its constitution, any statute, the Listing Rules, a requirement, order or request, made by or on behalf of ASIC, ASX or any governmental agency, or a material term of any material agreement entered into by it;
- (f) a charge over all or any of the assets of the Company or of any related body corporate is created or comes into existence without the prior approval of the Underwriter (such approval not to be unreasonably withheld in the case of a charge granted in the ordinary course of business) or otherwise than in accordance with the Prospectus; and
- (g) any material contract to which the Company or a related body corporate of the Company is a party, is terminated (whether by breach or otherwise),



rescinded, materially altered or amended, or an event occurs which would entitle any party to such a contract to terminate or rescind that contract.

The Company agrees to indemnify the Underwriter and its officers and employees in a range of circumstances associated with the Entitlements Offer, Prospectus and Supplementary Prospectus.

The Underwriting Agreement contains many standard clauses that would be expected to be found in an underwriting agreement in like circumstances.

Summary of Sub-underwriting Deeds

The Underwriter has entered into sub-underwriting deeds under which the sub-underwriters have agreed to sub-underwrite the Underwritten Securities on terms that are essentially the same as the terms of the Underwriting Agreement.

11. DIRECTORS' CONSENTS

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

David Timms
Managing Director

Dated 19 December 2005



APPENDIX

ANNOUNCEMENT TO ASX DATED 13 DECEMBER 2005

High grade drill hole at Copper Hill

GCR has received results from diamond drill hole GCHR64 at its 100%-owned Copper Hill gold-copper porphyry project near Molong, NSW. Results are tabulated below and represent some of the highest grade gold-copper mineralisation encountered in the Copper Hill area to date. The hole is located in the newly discovered Saddle area east of the Western Zone.

Individual 2m samples in hole 64 returned up to 15.2 g/t gold and 3.06% copper.

Stockwork and sheeted quartz veins containing chalcopyrite and bornite mineralisation host highest grades.

Copper Hill, Significant Drill Results, December 2005

Hole No	Easting (MGA)	Northing (MGA)	Azimuth (degrees)	From (m)	Intersection (m)	Gold (g/t)	Copper (%)
GCHR064	674696	6341310	180	48	129.8 (EOH)	1.80	0.79
<i>incl</i>				82	22	2.26	1.19
and				114	36	4.43	1.60
<i>incl</i>				114	20	6.43	2.28

Notes:

- The hole was drilled at a declination of 60 degrees.
- Results represent the weight average of 2m downhole samples of quarter HQ diamond core. Core was cut using a core saw and core recovery was 99%.
- EOH = End of hole

Hole 64 was collared about 4m north of RC hole GCHR58 and was intended to be drilled parallel to it. The diamond hole was designed as a twin hole to assess any variation in grades between RC and diamond drilling, and to provide material for metallurgical testwork. The original hole, GCHR58, returned 86m at 1.32 g/t gold and 0.65% copper. Two distinctive zones of gold-copper mineralisation are recognised in both holes, one from approximately 82m to 104m and the other from approximately 114m to 150m. The same intervals for hole 58, released to ASX on 1 November 2005, are tabulated below for comparison and show lower grades than the diamond hole.

Hole No	Easting (MGA)	Northing (MGA)	Azimuth (degrees)	From (m)	Intersection (m)	Gold (g/t)	Copper (%)
GCHR058	674697	6341306	180	82	22	1.92	0.80
and				114	36	1.94	0.80

Downhole surveys indicate that the diamond drill hole (GCHR64), drilled beneath GCHR58, deviated from hole 58 such that the deep, high grade intersection encountered from 114m was between 16m and 20m beneath hole 58 and 5m to 10m to the west. Because of this deviation, at this time GCR does not consider hole 64 to be a representative twin of hole 58 and the variability of the grade may be attributable to geological variation between the holes. More detailed drill hole surveys and re-assays are being undertaken.



Hole GCHR64 is considered by GCR to be important as it indicates that the Saddle area has considerable potential to host a large tonnage of higher grade resources relatively close to surface. The deeper high grade zone in the hole is only 100m below surface.

Step-out drilling has now been initiated, with holes 40m above and below hole 64. The diamond tails planned on holes GCHR59 and 61 have been postponed temporarily.

Results for hole 69, drilled to 280m downhole, are expected during January 2006.

Enquiries: chris.torrey@goldencross.com.au

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Golden Cross is a gold and base metals explorer, searching in NSW and the Northern Territory 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 of NSW, which contains Rio Tinto's Northparkes, Newcrest's Cadia-Ridgeway, and Barrick's Cowal Deposits. It holds a major land position in the Curnamona Province of western NSW, which contains the world class Broken Hill orebody. The Company also has an option over a significant tenure in the McArthur River District of the Northern Territory which hosts the McArthur River basemetal and Merlin diamond deposits.

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