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Copper Hill Project Report

Summary

Golden Cross Resources has received results from a further seven holes drilled at its Copper Hill porphyry copper-gold project located near Molong, NSW. Broad intersections of copper and gold mineralisation were obtained in all holes, with hole 77 mineralised over the full 200m RC-portion of the hole, and with the diamond tail yet to be drilled.

GCR has completed 21 drill holes and has extended two existing holes at Copper Hill since the beginning of 2006 (Figure 1). Of these, the Company has received complete results for only four holes (71, 73, 75 and 76). The delay in receipt of assay results is due to the increased demand for analytical services. Turnaround time for assays is presently three to four weeks.

Metallurgical testwork on samples from hole 64 from within the Saddle Area has indicated high recoveries for both copper and gold.

The current drilling program is 30% complete. Three drill rigs are presently on site.

Drilling Results

Copper Hill, Holes 71 – 77, Drilling Results

Hole	MGA East	MGA North	Azimuth	Dip	From (m)	Interval (m)	Au (g/t)	Cu (%)
GCHR-71	674696	6341251	180	-60	0	114	0.35	0.35
<i>incl</i>					22	28	0.44	0.57
<i>incl</i>					86	28	0.29	0.36
GCHR-72	674681	6341344	180	-60	23	6	0.11	0.33
and					75	5	0.07	0.30
and					95	5	1.90	0.24
GCHR-73	674562	6341207	180	-60	0	38	0.39	0.03*
and					60	80	0.26	0.25
GCHR-74	674508	6341226	50	-65	46	50	0.32	0.34
and					122	28	0.28	0.53
GCHR-75	674416	6341209	230	-70	58	44	0.12	0.54
GCHR-76	674490	6341149	230	-70	76	26	0.21	0.38
GCHR-77	674594	6341226	238	-70	0	200	0.23	0.35
<i>incl</i>					52	148	0.23	0.44
<i>incl</i>					52	14	0.19	1.48

Note: Results shown above represent the weighted average of one or two metre down-hole composites of half HQ or NQ diamond core, or two metre RC chip samples. Diamond core recovery is in excess of 90% and core was cut using a core saw. RC chips were either spear-sampled or riffle-split prior to despatch to the laboratory. * = leached zone (upper part of hole 73).

Hole 71 is a diamond drill hole designed to test approximately 40m to 50m above holes 58 and 64, which returned intersections of 86m at 1.32 g/t gold and 0.65% copper; and 129m at 1.8 g/t gold and 0.79% copper, respectively (Figure 2).



Results for diamond drill hole 72, drilled 40m below hole 64, have been received to only 100m downhole. Results are pending for 100m to 251.8m downhole.

Holes 73 to 77 were all drilled using RC methods, and holes 74 and 77 either have been or will be extended using diamond drilling methods.

Hole 73 was drilled to test an area 170m southwest of the Saddle Area and returned broad zones of copper-gold mineralisation.

Hole 74 was drilled to 200m using RC methods and then from 200m to 300m using diamond drilling methods. Results are awaited for the diamond portion of the hole, which hosts visible, moderate copper mineralisation in quartz stockwork veins and disseminations from 220m to the end of the hole.

Hole 75 was designed to test the southwestern extent of the Western Zone and encountered mineralisation over a 44m interval.

Hole 77 was drilled to 200m downhole using RC methods. A diamond tail, targeting the Western Zone from 220m to 270m downhole, is scheduled to commence in mid-March.

Metallurgy

Quarter core from four intercepts in hole 64 were combined into a single composite sample and the metallurgical response, to a standard reagent using three grind sizes, was determined. The Company's metallurgical consultant reported that all three tests gave excellent results and set out the following conclusions:

1. The chalcopyrite – quartz stockwork bulk composite is highly amenable to conventional copper flotation;
2. High copper and gold recoveries were obtained in rougher flotation at a coarse grind of 150 microns, yielding 97% copper and 92% gold;
3. Regrinding of the rougher concentrate was necessary for effective cleaning;
4. Progressively finer concentrate grinds give higher copper concentrate grades, with minimal loss of copper recovery and around 3% reduction in gold recovery; and
5. While not optimised, commercial grades of copper concentrate can be made by regrinding to 35 microns, with copper recoveries being maintained above 95%.

It should be noted that the composite sample above represents only one mineralisation type of the several present at Copper Hill. Additional work has now been commissioned on the original samples making up the composite from hole 64, which will provide recovery data for a range of high and low grade chalcopyrite samples with variable bornite and pyrite ratios.

The current drilling program will also be directed at collecting additional metallurgical core samples from mineralised zones of chalcocite-clay, which may be more problematic metallurgically, as well as zones of disseminated chalcopyrite with variations of bornite and pyrite ratios. These samples will also provide additional material for SAG mill comminution studies.

Drilling Plan

The current Copper Hill drilling program of 17,000m is now 30% complete, with results received for only 8% of the program. Three drill rigs, two RC and one diamond, are systematically drilling the proposed holes shown in Figure 2.



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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 resources sector 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.

This report was prepared by Kim Stanton-Cook, Managing Director and 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.

