



15 May 2006

Copper Hill Project Update

GCR has received results from a preliminary pit optimisation study conducted by mine design consultants on GCR's 100%-owned Copper Hill porphyry copper-gold project near Molong, NSW. The study was based on the resource estimate announced on 2 May 2006 of, at a 0.2% copper cut-off grade, 105Mt at 0.33% copper and 0.33 g/t gold, containing, in-ground, 344,000t of copper and 1.12 Moz of gold.

Assuming prices of US\$1.80/lb copper and US\$450/oz gold, the preliminary Whittle 4D pit optimisation indicates potential to establish a mining operation. If mined at the rate of 6.3Mtpa, the operation could produce 19,000 tpa of copper and 60,000 ozpa of gold over a period of ten years, at recoveries of 88% for copper and 85% for gold. Using US\$2.25/lb copper and US\$450/oz gold, the production rate increases to around 10Mtpa, producing around 30,000 tpa of copper and 95,000 ozpa of gold over ten years.

The Copper Hill project has other positive attributes, including:

- indications of high metallurgical recoveries yielding a high-grade, clean copper-gold concentrate;
- existing infrastructure at Molong, including adjacent disused railway line.

GCR was encouraged by the response from a public briefing held with the local community at Molong township on 9 May 2006 in order to bring the community up to date with developments at Copper Hill. Two drill rigs continue to operate on site and assay results are awaited for 35 holes.

Mining consultants will soon be retained to complete the Scoping Study for Copper Hill in the near future, and recruitment consultants have commenced the search for a project manager.

The Company has been approached by a number of foreign copper producers regarding possible involvement with the project and discussions are continuing.

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. He is a Competent Person under the meaning of the JORC (2004) Code.

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Golden Cross is a gold and base metals explorer, searching in NSW and the Northern Territory for economic deposits in proven mineral belts.

The Company holds mineral tenements within the Lachlan Fold Belt of NSW, which contains Rio Tinto's Northparkes, Newcrest's Cadia-Ridgeway, and Barrick's Cowal deposits. It also holds tenements in the Curnamona Province of western NSW and an option over several tenements in the McArthur Basin in the Northern Territory.