



# GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

22 Edgeworth David Ave  
Hornsby NSW 2077  
Phone (02) 9482 8833  
Fax (02) 9482 8488

25 August 2006

## Chairman's Letter to Optionholders

Dear Optionholder,

### Golden Cross Resources Options (ASX Code GCRO) Expiring on 30 September 2006

You are registered as the holder of GCR listed options exercisable at 5 cents each, which expire on 30 September 2006.

The number of options held by you is shown on the attached barcoded Application for Shares on Exercise of Options. Each option entitles the holder to subscribe for one share.

Following are recent market prices of Golden Cross Resources shares and options.

	Shares		Options	
Last sale	9.6 cents	24 August 2006	4.3 cents	24 August 2006
Last three months	10.0 cents	23 August 2006	4.6 cents	23 August 2006
Last three months	4.5 cents	26 June 2006	0.7 cents	26 June 2006

Westchester Financial Services Pty Limited has underwritten the exercise of the 107 million options in consideration of an underwriting fee of 4%, conditional on the option exercise being fully sub-underwritten and the performance of the sub-underwriters.

The agreement for the underwriting of the options provides for the sub-underwriting of the exercise of 50 million options on a firm basis. The Company has agreed that it will meet its obligations to the firm sub-underwriters firstly to the extent of any options not exercised by existing holders and secondly by an issue of new shares at 5 cents per share. If all of the underwritten options are taken up by their existing holders, 157 million shares will be issued, raising \$7.6 million after costs. The Company would then have approximately 515 million shares on issue.

### Procedure to Exercise Your Options

You may exercise all, some or none of your options. If you elect to exercise your options you should do the following:

1. Complete the attached Application form, indicating the number of options you wish to exercise.
2. Make payment by cheque, credit card or BPay, and return the form to Registries Limited as detailed on the Application form.

If you wish to exercise your options it is imperative that your option exercise notice and payment reach Registries Limited by 30 September 2006. **After 30 September 2006 the options will automatically expire and have no value.**

Quotation of your options by the ASX will cease on Friday 22 September 2006, which is the last day you will be able to trade your options on the ASX.

Your support of Golden Cross is much appreciated.

Yours faithfully

Christopher Ryan  
Chairman

# GOLDEN CROSS RESOURCES LTD

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## Application for Shares on Exercise of Options

To : Golden Cross Resources Ltd

**All correspondence to:**  
Registries Limited  
PO Box R67  
Royal Exchange, Sydney NSW 1223  
Enquiries: 61 2 9290 9600  
Facsimile: 61 2 9279 0664  
www.registriesltd.com.au  
registries@registriesltd.com.au

«NameAddress\_1»  
«NameAddress\_2»  
«NameAddress\_3»  
«NameAddress\_4»  
«NameAddress\_5»  
«NameAddress\_6»

# BARCODE

«SR\_Reference»

I/We being the registered holders of «Options\_100\_15122005» Options (expiring 30 September 2006) each to acquire one Fully Paid Ordinary Share in Golden Cross Resources Ltd hereby give notice of the exercise of Options and attach hereto my/our cheque or have made my/our Credit Card payment or BPAY payment using the BPAY details provided below at \$0.05 per Option in payment of such exercise.

I/We agree to my/our name/s being placed on the Register of Members in respect to the number of Shares allotted and to be bound by the Constitution of the Company.

Accordingly, I/We enclose a cheque or have made a Credit Card or BPAY payment for the sum of A\$\_\_\_\_\_ being the correct amount for the exercise of \_\_\_\_\_ Options.

### Please Sign Here:

Shareholder 1 (Individual)

Sole Director & Sole Company Secretary

Joint Shareholder 2 (Individual)

Director

Joint Shareholder 3 (Individual)

Director / Company Secretary

Daytime Telephone No. ( ) \_\_\_\_\_ Date \_\_\_\_ / \_\_\_\_ / 2006

### Payment Methods:

(Please mark the box below to identify the payment method made)

#### Cheque Payment

Make your cheque payable to **Golden Cross Resources Ltd**, cross it and mark it "**Not Negotiable**". Cheques must be made in Australian currency, and drawn on an Australian Bank. Both the cheque and this form must be received by Registries Limited by 30 September 2006.

#### Credit Card Payment

Please enter your credit details below and return your form to Registries Limited by 30 September 2006.

Mastercard

Visa

Bankcard

(tick ✓ appropriate box)

Card No:

Expiry Date:

Name on Credit Card: \_\_\_\_\_ Signature: \_\_\_\_\_

#### BPAY Payment

Contact your participating financial institution to make this payment from your cheque or savings account. You will be asked to quote the Biller code and your customer reference number. This form must be completed and returned to Registries Limited. Payment and the form must be received by 30 September 2006.



**Biller Code: 1234**  
**Reference: 123456789**

# Terms of Options

Golden Cross Resources Ltd

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The Options have the following terms:

- (a) The Options shall expire on 30 September 2006 ("Expiry Date").
- (b) Each Option shall entitle the holder to subscribe for one ordinary share in the capital of GCR on the terms set out below.
- (c) Options may be exercised any time prior to the Expiry Date.
- (d) Each Option shall be exercisable at 5 cents per Option.
- (e) Options may only be exercised by the registered holder for the time being by completing the Notice of Exercise of Option accompanying the optionholder statement and forwarding it, together with payment of the exercise price, to be received by Registries Limited at any time prior to the Expiry Date. Cheques must be made payable to Golden Cross Resources Ltd and marked "not negotiable".
- (f) The date of exercise of an Option will be the date on which the Notice of Exercise of the Option is received at Registries Limited.
- (g) The Options are listed for official quotation by the ASX.
- (h) Options may be transferred at any time prior to the Expiry Date, independently of the ordinary shares to which they are attached.
- (i) GCR must make applications to have shares issued on the exercise of Options listed for official quotation by ASX, no later than 3 business days after the issue of the shares.
- (j) In the event of any reorganisation of the issued capital of GCR, Options will be reorganised as required by ASX Listing Rules applying to a reorganisation of capital at the time of reorganisation.
- (k) Options will not entitle the holders to participate in any new pro-rata issues, which may be offered to shareholders during their currency. Prior to any pro rata issue, optionholders will be notified by GCR and will be afforded at least 14 business days before the record date determining entitlements to the issue to exercise those Options.
- (l) GCR will advise optionholders at least 20 business days before the Expiry Date of the impending expiry of the Options and will provide such details as required by the ASX Listing Rules to enable optionholders to determine whether or not to exercise those Options.