GCR purchases King Eagle Resources, a private mineral explorer with gold, uranium and nickel properties in Queensland and Western Australia

Golden Cross Resources (ASX:GCR) has signed an agreement for the purchase of King Eagle Resources Pty Limited ("KER") for consideration totalling $3.3 million, comprising $0.3 million cash and $3 million worth of new GCR shares at a minimum issue price of 5 cents per share.

- GCR’s MD, Kim Stanton-Cook, who has 35 years’ industry experience, including 10 years devoted to uranium exploration and discovery, has identified exciting uranium, nickel and gold opportunities on the KER properties.
- The addition of the KER properties gives GCR significant exposure to prospective uranium districts in Queensland and Western Australia and will provide a catalyst for expanded effort in these new regions.
- KER’s Mt Isa, Queensland, tenements cover potentially uranium-bearing Cambrian phosphatic units within the Georgina Basin. Large phosphorite deposits have excellent potential to contain depositional trap sites for uranium sourced from the Mt Isa Inlier.
- A joint venturer-funded, 5,000m aircore drilling program is due to commence in July 2007 at KER’s Mulga Tank property, 45 km west of the Mulga Rock uranium deposit near Kalgoorlie, WA. The drill program will test approximately 7 sq km of EM-defined palaeo-drainage systems, with potential for Mulga Rock-style uranium deposits (10.8 Mt at 0.12% U3O8).
- Mulga Tank also has potential to host a large Mt Keith-style sulphide nickel deposit (517 Mt at 0.54% nickel). Previous drilling at Mulga Tank, within a circular magnetic anomaly 4 km in diameter, identified an extensive mineralised zone averaging between 0.2% nickel and 0.5% nickel, with RAB samples assaying up to 2% nickel.
- The Esmeralda property southeast of Croydon, Queensland, is targeting high grade gold mineralisation and uranium sourced from ‘hot’ granites. Existing deposits and airborne radiometric surveys demonstrate that the region is prospective for primary uranium in structurally-controlled and replacement deposits and in secondary palaeo-channel uranium mineralisation.
- KER’s Bowen, Queensland, tenements have 18 distinct gold-silver-copper targets, with potential for a Carlton Hill-style, high-grade gold-silver-copper discoveries in epithermal and porphyry settings.

GCR’s new properties are summarised in the paragraphs and table below, followed by further details and maps. More detail is contained on the GCR web site at www.goldencross.com.au. A location map showing GCR’s properties is set out below.
Mt Isa region - Uranium

KER has two large, granted tenements and one large tenement application in the Mount Isa region covering 876 sq km in total, all highly prospective for uranium mineralisation. The tenements cover the same horizons of the Georgina Basin as those applied for by Summit Resources and Newland Resources.

Uranium mineralisation may be hosted in channel-ways cut into phosphatic horizons where reducing conditions, required to precipitate the uranium, may occur. Phosphatic minerals may also act as uranium reductants.
Mulga Tank Uranium-Nickel property

KER holds the Mulga Tank property, 200 km NE of Kalgoorlie, where Newport Exploration Ltd (TSX-V:NWX) is earning an 80% interest over the next two years and intends to commence a 5,000m drilling program in July 2007 for uranium mineralisation in a setting similar to that at the palaeo-channel-hosted Mulga Rock deposit (resource estimate 10.8 Mt at 0.12% U3O8) located 45 km to the east.

The Mulga Tank property also covers the substantial 4.7 km x 3.2 km Minigwal Dunite intrusive body, with potential to host a major nickel deposit of the Mount Keith style.

KER also holds an exploration licence application adjacent to its Mulga Tank property, in which NWX may earn a 75% interest.

KER holds the right to purchase, at any time, the 20% interest, free carried to decision to mine, in the Mulga Tank tenement, and the 25% interest in the EL application, held by a local prospecting syndicate.

Georgetown Inlier and Bowen Area – Gold, Uranium and Base Metals

KER holds applications for tenements prospective for gold and uranium in the Georgetown Inlier of northern Queensland and for gold in the Bowen area of eastern Queensland.

Previous drilling by WMC near Bowen, on the Mt Cavana tenement application near Bowen, yielded an intersection of 8m at 3.2 g/t gold, including 1m at 15.4 g/t gold.

New Commodities and over 2,100 sq km of New Exploration Territory

This acquisition of KER marks a new stage for GCR, as it adds uranium and nickel to its commodity list and expands into proven mineral provinces. GCR has created opportunities for discoveries outside its existing NSW portfolio with farm-outs to companies with the capacity to undertake the high-cost, deep drilling programs required.

GCR’s Uranium Exploration Experience

GCR’s Managing Director, Kim Stanton-Cook, has over ten years’ uranium exploration experience, commencing with work for McIntyre Mines in Arnhem Land in the Northern Territory in the early 1970s, then with Getty Oil, including three years as Site Project Manager at the Maureen U-CaF2-Mo deposit near Georgetown and two years’ experience in the US and Canada. He spent one year with AGIP Nucleare in Western Australian uranium exploration and discovered an uneconomic, but significant, uranium occurrence near Mount James in the Proterozoic Bangemall Basin.

GCR’s Exploration Manager, Rob Harley, was, during the late 1970s, involved in uranium exploration for Uranerz and Amoco in the Murchison and Gascoyne Districts of Western Australia and in the Flinders Ranges, Olary Block and Stuart Shelf in South Australia.

Agreement Terms

GCR will issue $1.8 million worth of new shares on signing a full-form agreement, expected to occur during June 2007, and a total of $1.2 million worth of new shares in instalments, to be issued as each tenement application is granted and with the balance to be issued 6 months after signing the full-form agreement. The initial $1.8 million worth of shares will be issued at 5 cents per share and subsequent shares will be issued at an issue price determined by the greater of 5 cents per share or the 5-day average market price of GCR shares prior to the date of issue. In relation to the cash component, $30,000 has been paid to the vendors and $270,000 will be paid on signing the full-form agreement.
KING EAGLE RESOURCES PROPERTY SUMMARIES

<table>
<thead>
<tr>
<th>Property</th>
<th>Tenement &amp; Area</th>
<th>KER Interest</th>
<th>Status</th>
<th>Target</th>
<th>Target details &amp; comments</th>
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<tr>
<td>Mt Isa region, Qld</td>
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<tr>
<td>Quita Creek</td>
<td>EPM 14905 276²km</td>
<td>100% Granted</td>
<td>Uranium, copper-gold</td>
<td>Secondary enrichment of uranium within sedimentary phosphate deposits as at the Rimmer Hill uranium occurrence. Potential for iron oxide copper-gold deposit at Magnetite Ridge prospect.</td>
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<tr>
<td>Lily &amp; Sherrin Creeks</td>
<td>EPM 14912 300²km</td>
<td>100% Granted</td>
<td>Uranium</td>
<td>Secondary enrichment of uranium within sedimentary phosphate deposits, 50 km west of the skarn-style Valhalla and Skal uranium deposits.</td>
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<tr>
<td>Highland Plains</td>
<td>EPM 14906 300²km</td>
<td>100% Application</td>
<td>Uranium</td>
<td>Secondary enrichment of uranium within sedimentary phosphate deposits. 90 km south of the sandstone-hosted Westmoreland uranium deposit.</td>
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<tr>
<td>Mulga Tank, WA</td>
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<tr>
<td>Mulga Tank 1</td>
<td>EL 39/988 105²km</td>
<td>100% Granted</td>
<td>Uranium, nickel, gold</td>
<td>TSX-V listed NWX sole funding C$2.5 million to earn 80% interest in EL and 75% interest in ELA, with KER managing exploration. Potential for palaeochannel-hosted uranium mineralisation, large dunite-hosted nickel sulphide deposits and shear zone-hosted gold deposits. The 20% carried interest in EL, and 25% interest in ELA, held by a prospecting syndicate, may be purchased by KER at any time.</td>
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<tr>
<td>Mulga Tank 2</td>
<td>ELA 39/1072 163²km</td>
<td>100% Application</td>
<td>Uranium, nickel, gold</td>
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<tr>
<td>Bowen area, Qld</td>
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<tr>
<td>Mount Mackenzie</td>
<td>EPM 15668 300²km</td>
<td>100% Application</td>
<td>Gold, silver</td>
<td>Porphyry related bulk-tonnage gold deposits and epithermal gold-silver deposits</td>
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<td>Mount Cavana</td>
<td>EPM 15667 300²km</td>
<td>100% Application</td>
<td>Gold, silver</td>
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<td>10 Mile Creek</td>
<td>EPM 15742 300²km</td>
<td>100% Application</td>
<td>Gold, silver</td>
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<td>Georgetown Inlier, Qld</td>
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<tr>
<td>Esmeralda</td>
<td>EPM 16120 90²km</td>
<td>100% Application</td>
<td>Uranium, gold</td>
<td>The Maureen and Newcastle Range uranium deposits lie some 80 km to the northeast; potential for uranium deposition as at Maureen or in Tertiary channels as well as high-grade gold mineralisation within the Esmeralda Goldfield</td>
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KING EAGLE PROPERTIES

Mt Isa Region - Uranium in Phosphatic Sediments

KER has a large tenement package covering 876 sq km of prospective Cambrian phosphate-rich horizons within the Georgina Basin. Potential exists for the tenements to contain large low-grade uranium deposits that are formed at shallow depths where meteoric water precipitates uranium in phosphate/organic rich horizons, permeable structures and unconformities.

The recognition of the potential for uranium enriched groundwater to become immobilised by phosphate in an oxidizing environment and form secondary uranium phosphates is a major breakthrough for targeting economic uranium deposits at shallow depths within KER’s extensive tenement holdings.

The known uranium mineralization within the Mount Isa district generally comprise calc-silicate skarn related deposits (e.g. Mary Kathleen) or refractory uranium hosted in volcano-sedimentary
rocks (e.g. Valhalla and Skal). Strong uranium radiometric anomalies also occur in Cambrian phosphate-rich horizons near the margin of the Mount Isa Inlier. During periods of uplift and weathering, uranium was leached by oxygenated groundwater from enriched basement rocks and then concentrated by phosphatic units within the overlying Cambrian sediments.

The Mount Isa region represents one of the most prospective areas in Australia for the discovery of near surface uranium resources and extensive uranium exploration is currently being conducted by numerous companies, including Summit Resources and Deep Yellow. Newland Resources and Summit are currently conducting a uranium exploration program over 12,000 sq km of the Georgina Basin to the west of the Mount Isa Inlier. Exploration is targeting secondary uranium deposits in reducing environments and associated structural traps within the Georgina Basin.

GCR intends to compile a digital database of detailed regional magnetic, radiometric and gravity data, geology and stratigraphic drilling to select target areas for drilling and downhole radiometric logging.

A recent study* of the large Coles Hill uranium-phosphate deposit located in Virginia USA, which contains approximately 40 Mt at 0.10% U₃O₈ and 11.5% P₂O₅, suggests that uranium is leached and re-precipitated as secondary uranium phosphates. Geochemical and mineralogical studies demonstrate that uranium transport may be inhibited or naturally attenuated by phosphate minerals.

Mulga Tank, Kalgoorlie, WA  “…..demonstrated nickel mineralisation with potential for an overlying palaeochannel-hosted uranium deposit and shear zone-related gold deposits…..”

The Mulga Tank property is a located 250 km northeast of Kalgoorlie in the Mt Margaret Mineral Field of Western Australia. The Mulga Tank Tenements comprises E39/988 and ELA39/1072 covering a total of 268²km. Newport Exploration Ltd (NWX), a TVX-V - listed company has the right to earn 80% equity in E39/988 and 75% in ELA39/1072 by spending a total of C$2.5 million on exploration over the next two years and by making cash payments and issues of NWX shares to KER. A local syndicate holds a 20% interest, free carried to decision to mine, in E39/988 and a 25% contributing interest in ELA39/1072. KER has the right, at any time, to purchase the 20% and 25% interests for an agreed price.

Uranium

The Mulga Tank property is prospective for palaeochannel-hosted uranium mineralisation at redox boundaries. A drilling program to test EM-defined buried channels is due to start in July 2007.

Nickel

The property is a significant target for a large dunite-hosted nickel sulphide deposit where RAB samples assayed up to 2% nickel and an extensive zone of 0.2% to 0.5% nickel was defined by shallow RC drilling. At present this zone remains relatively untested.

Gold

Shear zone-hosted gold deposits may also exist within the tenements and will be targeted in future exploration.
Mulga Tank – Property Location and Yilgarn Uranium Deposits

The property covers a buried, generally northwest striking Archaean greenstone sequence that includes mafic volcanics, ultramafic flows, clastic metasediments, black shale and banded iron. Granite bounds the greenstone sequence to the east and west, and has also intruded central parts of the belt. The greenstone belt is almost completely covered by sediments, predominantly aeolian sand. Consequently, interpretation of bedrock has largely been from interpretation of aeromagnetic data and limited drill information.

An airborne EM survey (Tempest) has defined shallow conductive zones consistent with the response expected from buried palaeochannels. These palaeochannels may contain organic carbon remains with potential redox (reduction-oxidation) boundaries to precipitate uranium from solution and fix it in the reducing zone as is the case at Mulga Rock, 45 kilometres to the east. Seven square kilometres of palaeodrainage systems will be drill tested in July 2007 in a program funded by NWX but managed by GCR.
The model shows two distinct zones of electrical conductivity:

- A WNW to ESE trending narrow conductor which persists over a strike length of 2.5 km to 3.0 km and
- A broad roughly N-S trending zone.

The southeastern portion of E39/988 is dominated by a large ultramafic body, the Minigwal Dunite, that has a distinct positive magnetic response. Although an obvious nickel sulphide target, the dunite has had little attention in the past due to the lack of outcrop. Covering an area of some 4.7 km x 3.2 km, and when compared to other nickel bearing ultramafic bodies in Western Australia such as Mt Keith (1.8 km x 0.5 km), it represents a large nickel sulphide target. A core hole completed by previous explorers into the centre of the body intersected mesocumulate-textured dunite hosting disseminated sulphides including pentlandite and millerite. These results confirm the presence of favourable host rocks and provide positive indications for nickel sulphide accumulations.
Georgetown Inlier – Uranium and Gold

The Esmeralda tenement application is located approximately 90 km southeast of Croydon in the Georgetown Inlier of north Queensland. The Maureen and Newcastle Range uranium deposits lie some 80 km to the northeast associated with felsic volcanic and sedimentary host rocks above the Permo-Carboniferous Elizabeth Creek Granite.

Previous discoveries and airborne radiometric surveys indicate the region is broadly prospective for uranium mineralization. Deep Yellow is conducting a uranium exploration program for Tertiary palaeochannels at Mistake Creek, located 50 km to the northwest of Esmeralda.

GCR considers the area to be prospective, as the Esmeralda Granite and Croydon Volcanics form an available source of uranium and there is potential for primary uranium deposition or secondary deposits in Tertiary channels. Exploration will be conducted to define potential palaeochannels that may exist in the extensive but thin Tertiary and Quaternary cover occurring throughout the tenement. Previous exploration conducted within the region will be reviewed and available aeromagnetics and radiometric data will be assessed prior to planning an exploration program.

An additional target is high-grade gold mineralization within the Esmeralda Goldfield and its extensions; additional work will be carried out to assess the potential for Croydon and Kidston-style gold deposits.

Previous exploration has established the prospectivity of the property with the occurrence of high-grade gold mineralisation. Results include trench assays of 1m at 36.8 g/t gold, 4m at 8.6 g/t gold and 2m at 16.7 g/t gold, and drill intersections of 2m at 5.4 g/t gold and 3m at 5.9 g/t gold.
Bowen – Collinsville – Gold, Silver and Base Metals

King Eagle Resources owns 900 sq km of prospective tenements in the Bowen – Collinsville district of North Queensland. Within this district precious and base metal mineralisation is commonly associated with felsic volcanic and intrusive porphyry rocks. Primary exploration targets include porphyry related bulk tonnage gold deposits and epithermal gold-silver deposits.

Recent exploration by Conquest Mining at Carlton Hill, 40km to the west of Mount Mackenzie, demonstrates the prospectivity of the region. Conquest has discovered high grade Au-Ag-Cu mineralisation within a prominent east-west magnetic structural feature.

The Vendors

The vendors of KER are Paul Joyce and John Haggman, who have built up KER’s portfolio since incorporating KER in 2000. They will endeavour to make themselves available to provide consulting services to GCR as it explores the properties.

Paul Joyce – B.A (Earth Science) Dip GeoSc FAIG

Paul Joyce graduated as a geologist from Macquarie University, Sydney in 1972 and completed a postgraduate Diploma of Geoscience, majoring in Mineral Economics, from Macquarie University in 1991. Paul has 35 years of international mineral exploration experience. His past work experience includes Exploration Manager - Climax Mining Ltd and senior geologist for Cyprus Gold Australia He is currently a director of a number of companies and is an independent consultant to the mining industry. Paul has extensive exploration and development experience of gold and copper deposits in Australia, South East Asia, Central and South America.
John Haggman B.Sc (Geology)

John Haggman holds a Bachelor of Science (geology) from Macquarie University, Sydney and has over 20 years of international experience in epithermal, precious metals and porphyry copper gold exploration. John commenced his career with Geoeko Ltd before joining Cyprus Mines Corporation and forming part of the team involved in the discovery of the Junction Reefs (NSW) and Dinkidi (Philippines) ore bodies. He became Vice President-Exploration for Arimco N.L and later Climax Arimco Mining Corporation in the Philippines. He is currently a director of a number of companies and is an independent consultant to the mining industry. John's international experience covers Australia, New Zealand, Philippines, PNG, South and Central America, India and USA.

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Golden Cross Resources is now a copper-gold, uranium, gold and base metals explorer expanding its reach from the Lachlan Fold Belt of New South Wales into Queensland and Western Australia. GCR is in the process of farming out or selling many of its New South Wales properties. GCR will shortly resume testing its Canbelego property and has applied for new areas in the Cobar Basin and on the margins of the newly defined Thomson Orogen in New South Wales.

The Copper Hill project is currently the subject of detailed mining and financial studies. New geological modelling and resource estimation will be followed by updated pit optimisations and mining models due in June 2007. It remains GCR’s intention to establish, based on the latest resources and on indicated recoveries, a low cost mining operation at Copper Hill with a mill and plant capacity in the range of 6 to 8 million tonnes per annum producing, over a ten-year life, in excess of 340,000 tonnes of copper and over 600,000 ounces of gold.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Kim Stanton-Cook, who is a member of the Australian Institute of Geoscientists, is a full-time employee of GCR, and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Kim consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.