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Golden Cross Resources and HQ Mining Resources Create a Strategic Alliance.

- **\$3.5 million funds injection**
- **GCR to seek new exploration and development opportunities**
- **A new, firm link to China as a source of capital and equipment**

Golden Cross Resources Ltd (**ASX code: GCR**) ("**Golden Cross**") and HQ Mining Resources Holding Pty Ltd ("**HQ**") today announced that they have entered into a strategic alliance. HQ is the Australian investment vehicle of Beijing-based China United Mining Investment Co Ltd (CUMIC).

The alliance will provide Golden Cross with an immediate injection of \$1.5 million and a minimum further \$2 million funding in or before the second quarter of 2009, as well as operational, development and marketing assistance with the opportunity for further financial support. HQ will use Golden Cross as its platform for future growth in Australia, Southeast Asia, the Pacific, and the Americas.

"Golden Cross is delighted to have the support of a strong strategic investor that shares the Board's vision for growth," said Golden Cross' Chairman Chris Torrey. "With the additional funds, Golden Cross can now enhance and expand its exploration programs at Burra, Copper Hill, Mulga Tank and other sites. The alliance of Golden Cross and HQ marks the commencement of new growth phase for Golden Cross, which will provide exploration and development skills in concert with HQ's funding capacity, commercial ability and contacts to source capital equipment for potential mining operations."

Mr Torrey went on to say: "With the backing and assistance of a major alliance partner, Golden Cross will also seek out new project opportunities as they become available in the current market conditions."

The alliance will provide HQ with a well established corporate platform supported by a seasoned management team with extensive experience in mineral exploration and project development in Australia and around the globe. Dr Steven Xiao, Managing Director of HQ stated: "We are delighted to form this strategic alliance with Golden Cross. We strongly believe that the expertise possessed by HQ and Golden Cross are complementary and well balanced for our ambition to develop Golden Cross into a significant player in the resources arena."

"We particularly want to thank the New South Wales Department of State and Regional Development for its assistance in bringing the companies together," said Golden Cross Managing Director Kim Stanton-Cook. "The alliance reflects the importance, particularly in the mining sector, of the growing ties between Australia and China."

"Golden Cross and HQ share a firm belief in the value of well-funded and directed exploration, especially drilling, in discovering ore bodies. Golden Cross will increase its exploration activities."

Dr Steven Xiao, who has been President of China United Mining Investment Co Ltd., a sister company of HQ, will become executive director for new business development at Golden Cross. He will identify opportunities for Golden Cross and HQ/CUMIC to acquire interests in existing or potential mining operations in Australia and around the world. Dr Xiao has arranged to relocate with his family from China and live in Sydney.



GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

Mr Xiaoming Li, Chairman and controlling shareholder of CUMIC, and Ms Suzanne Qiu, nominated by HQ, will join the Golden Cross board as non-executive directors.

Chris Torrey, who has previously been acting as Interim Chairman of Golden Cross, will become Chairman of Golden Cross.

Including the Chairman, Golden Cross will have four non-executive and two executive directors. David Timms will remain a non-executive director. After 10 years of service to Golden Cross, Kerry McHugh has elected to retire from the Golden Cross Board but will continue to provide his expertise and experience as a consultant to Golden Cross for at least two years. The Board thanks Kerry for his past contribution to the Company and looks forward to his ongoing involvement.

The initial \$1.5 million funding will comprise the payment of \$540,000 for the subscription of 45,000,000 new shares in Golden Cross at an issue price of 1.2 cents per share. HQ will then hold 6.2% of the shares of Golden Cross.

The balance of that initial funding will be by way of a \$960,000 loan convertible at the option of Golden Cross, and subject to approval by Golden Cross shareholders, into a further 80,000,000 shares at an issue price of 1.2 cents per share. Golden Cross will convene a shareholders meeting early in 2009. If shareholders approve that conversion, HQ's shareholding in Golden Cross will increase to 15.4%.

Subject to any necessary shareholder approval, the further minimum \$2 million funding to be provided by HQ in 2009 will be via a share placement at a 10% discount to the 5 day VWAP (Volume Weighted Average Price) of Golden Cross shares at the time of issue. HQ's shareholding as a result of that allotment will depend on the share placement price and, if its holding would exceed 20%, approval by other Golden Cross shareholders would be required. (For example, assuming no other share issues by Golden Cross or on-market purchases by HQ, a Golden Cross share price of 4.8 cents would require the issue of \$2 million worth of shares at a 10% discount to VWAP to give CUMIC approximately 20% of the issued shares of Golden Cross.)

About HQ

HQ shares common shareholders with CUMIC and is the Australian investment arm of CUMIC and its associated companies. CUMIC is a Beijing-based investment company specialising in mineral and mining investment. The Group has a portfolio of exploration and mining assets in various parts of the world, focusing on iron, copper and gold. The Group controls Mongolia Eleet River Iron and Steel Company, a major iron ore mining company developed by the Group and is currently seeking an IPO on the Hong Kong Stock Exchange.

About Golden Cross Resources

Golden Cross is a gold, uranium, and base metals explorer with properties in NSW, Queensland and Western Australia. It also has joint venture exploration interests for phosphates in Queensland and uranium in Labrador, Canada. Golden Cross has taken its 100%-owned Copper Hill property to JORC-compliant Measured, Indicated & Inferred Resource stage and will seek means of taking the project forward through its strategic alliance with HQ.

For further information please contact

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