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Mt Isa Phosphates Update

GCR, through its wholly-owned subsidiary King Eagle Resources Pty Ltd ("KER"), has executed a formal farm-in and joint venture agreement with Legend International Holdings Inc ("Legend") (OTC-BB: LGDI) over KER's 100%-owned Mt Isa properties, Lily Creek, Sherrin Creek, Quita Creek and Highland Plains (Figure 1).

Legend holds interests in a number of phosphate deposits in the Georgina Basin, Queensland, including the deposits on the KER properties. The KER properties contain approximately one third of the phosphate resources in which Legend has an interest, with the Queensland DME reporting that the KER properties contain 480 million tonnes of rock phosphate grading, on average, 15% P₂O₅. (Refer Draper, JJ, 1996: Queensland Commodity Report - phosphate, *Queensland Government Mining Journal*, 97 (February), pp 14 – 25)

Rock phosphate prices have risen exponentially over the past year, due to unprecedented global demand for fertilisers; for example, Moroccan rock phosphate prices have risen from around US\$50/t to US\$350/t over this period.

On 5 May 2008 LGDI announced a long term offtake agreement with Indian Farmers Fertiliser Cooperative Limited for LGDI's 100%-owned Lady Annie project, scheduled to be in production by mid 2010 – see www.ldgi.net. Legend plans to transport 4 – 5 million tonnes per year of concentrated rock phosphate slurry via a 300 km pipeline from its Lady Annie project to the port of Karumba facility in the Gulf of Carpentaria.

On 22 May 2008 Legend announced that it had raised US\$100 million to develop its phosphate projects in the Georgina Basin. Legend plans to drill on some of the KER properties during June or July.

Under the KER-Legend agreement, Legend may earn an 80% interest in phosphate minerals on the properties by spending \$3 million on exploration and development by 7 December 2012. GCR retains all rights to all other minerals, including uranium. Legend must spend \$200,000 on the properties before it may withdraw from the farm-in. Once Legend earns an 80% interest in the phosphate minerals, GCR will retain a 20% interest in the phosphate minerals, free carried to a decision to mine. Legend will routinely assay for uranium as part of its exploration programs on the properties.

GCR's Managing Director, Mt Kim Stanton-Cook, said today:

"GCR is anticipating with interest the commencement of Legend's drilling programs on the Mt Isa properties. The Mt Isa Phosphates Joint Venture allows GCR to benefit from exploration by specialist phosphates explorer and developer Legend International, while GCR focuses on the uranium and base metals potential of the properties. Global phosphate prices are at 30 year highs and Legend has recognised the growth potential for this market and the growing need for additional fertilizer sources for Australia and the world. We are excited to be part of a new exploration effort that will define the extent and grade of the known phosphatic deposits and the addition this brings to GCR's commodity mix."

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Figure 1: GCR-Legend Phosphates Joint Venture properties overlain on Legend's base map. (Base map courtesy of Legend).

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GCR 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, gold in Panama and uranium in Labrador, Canada. GCR has taken its 100%-owned Copper Hill property to the Measured, Indicated & Inferred Resource stage and is seeking a joint venturer to take the project forward. See: www.goldencross.com.au

The information in this report that relates to Exploration Results 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.