



# GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

ASX Announcement - 21 June 2011

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## ~ COPPER HILL ~ POTENTIAL EARLY START-UP UNDER INVESTIGATION

**A possible 30 million tonne start-up pit with head grades of 0.5% copper and 0.5g/t gold is being planned**

- **Lower capital cost**
- **Faster time-line to production**
- **Water and power requirements reduced**
- **Regulatory approval process will be much less complex**
- **Higher grades, with an initial 10Mt pit at 0.50% copper and 0.66g/t gold**

At this stage the mostly likely development strategy is for an initial mining rate of about 2 to 3 million tonnes per annum (Mtpa), and a staged build-up that minimises up-front capital, in association with selective high grade mining and low grade stockpiling to maximize cash flow in the early years.

The base case is using metal prices, appropriate for Definitive Feasibility Studies, of US\$6,000/tonne for copper and \$1,000/ounce for gold, an exchange rate of 1:1 and metal recoveries of 75% for copper and 45% for gold. Indications are that a start-up pit containing 30 million tonnes of ore with head grades of 0.45% copper and 0.50g/t gold will deliver a profitable mining operation. If events unfold in the way many economic analysts predict, with sustained high copper and gold prices, then the project may be scaled up accordingly.

The start-up project proposed delivers a greatly improved risk-return investment profile for Copper Hill. Among the other benefits are a smaller pit-waste-tailings footprint, a smaller mining fleet and lower power costs.

Work is underway preparing for the next Resource Estimate. Metallurgical testing to improve recoveries using the new core samples has commenced in Australia at Metcon Laboratories. Capital, mining and processing cost estimates are being reviewed, and the latest site layout configurations will all be used to update the evolving mine plans through July and August 2011. Metallurgical test-work will also be carried out in China under CUMIC's supervision and samples, matching those being tested in Australia, have been despatched to Beijing.

Current studies indicate favourable economic returns in mining from the 30Mt open pit shown in figure 1 below. Within this pit is a 10Mt resource with grades of 0.50% copper and 0.66g/t gold. The next few months will see this plan crystallize as detailed mine designs, schedules, costings and improved metallurgical understanding are combined to provide more data for the on-going Definitive Feasibility Study.



Figure 1. The potential 30Mt open pit containing average grades of 0.45% copper and 0.50g/t gold.

The Copper Hill JORC-compliant Resource is classified as shown below:

Class	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained copper (Kt)	Contained gold (M oz)	% of Tonnes
Measured	75	0.342	0.324	258	0.79	43
Indicated	64	0.292	0.227	186	0.46	37
Inferred	34	0.273	0.200	91	0.22	20
<b>Total</b>	<b>173</b>	<b>0.310</b>	<b>0.264</b>	<b>535</b>	<b>1.47</b>	<b>100</b>

Note: The Measured, Indicated and Inferred Resource Estimates are reported under the 2004 JORC Code and Guidelines. Search parameters for the categories are as follows: Measured = 40m x 45m x 40m (min 12 data points); Indicated = 60m x 65m x 60m (min 10 data points); Inferred = 100m x 110m x 100 (min 6 data points) Significant figures quoted do not imply precision and are used to minimise round-off errors

## Compliance Statements

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 this information in the form and context in which it appears.

The Resource Estimates were performed by Dr Phillip Hellman, a Director of Hellman & Schofield, Consulting Geologists and specialists in resource estimation and geostatistics. Dr Hellman is a Fellow of the Australian Institute of Geoscientists (AIG), has more than five years experience in the field of activity in which he is reporting and consents to his report being incorporated into this announcement in the context in which it appears above.

# CORPORATE DIRECTORY

## Board of Directors

Chris Torrey	Chairman
Kim Stanton-Cook	Managing Director
Li Xiaoming	Non-Executive Director
Jingmin Qian	Non-executive Director
Suzanne Qiu	Non-Executive Director
David Timms	Non-Executive Director
Li Yan	Alternate Director for Mr Li

## Company Secretary

Simon Lennon

## Issued Share Capital

Golden Cross Resources Ltd has 1,361 million ordinary shares on issue which are listed on the ASX.

## Share Registry

Boardroom Pty Limited  
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Sydney NSW 2000

Phone (61 2) 9290 9600  
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*Please direct shareholding enquiries to the Share Registry.*

## ABOUT GOLDEN CROSS RESOURCES LTD

*Golden Cross Resources (ASX:GCR) is a mineral explorer with a copper-gold focus. Its major activity is the Copper Hill copper-gold project in central NSW. GCR also has many other high quality projects across Australia as well as prospective joint ventures funded and managed by GCR's partners.*

*The Copper Hill project resource contains 535,000 tonnes of copper and 1.47million ounces of gold. The project is ideal for open pit mining with outcropping mineralisation, and the infrastructure (existing and potential) is excellent. Promising extensions to the known deposits are currently being found.*

*Current drilling efforts are aimed at extending the size and grade of the mineralisation. Metallurgical studies, based on a new strategy, are being undertaken to maximise copper and gold recoveries.*

*Completion of a Definitive Feasibility Study is planned for the end of 2011 with a Bankable Feasibility Study, acceptable to Chinese or other financiers, now scheduled for mid-2012. When the Definitive Feasibility Study is complete GCR will have more certainty regarding the potential for the project to become an operating mine. Indications to date are promising.*

## ABOUT China United Mining Investment Corporation (CUMIC)

*CUMIC is a privately owned, Beijing-based investment company specialising in mineral and mining investment. CUMIC has a portfolio of exploration and mining assets in various parts of the world, focusing on iron, copper and gold. CUMIC developed and controls the Mongolia Eleet River Iron and Steel Company, a major iron ore mining company. CUMIC holds approximately 32% of GCR's issued capital.*

