



QUARTERLY REPORT MARCH 2012

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HIGHLIGHTS

Personnel

- Chairman Chris Torrey has resigned to head up Silver City Minerals. Mr Torrey has guided the company through several critical phases which have seen substantial increases in the Copper Hill resource, completion of a detailed study of strategies to maximise production from Copper Hill and delivery of the Copper Hill Scoping Study. His support for GCR's expanded exploration activities has been greatly appreciated. He has assisted in the search and selection of a new chairman and he leaves GCR with heartfelt good wishes and the thanks of directors and staff.

Copper Hill

- 2 million tonnes per annum mill and plant capital estimate of \$92 million
- Total estimated notional capital cost, all-up, of \$155 million
- Metallurgical studies continuing with improving recoveries

Other Projects

- Cargo twin-hole drilling completed: 3 core holes totalling 344 metres
- Queensland Coal – new 2,250 square kilometres of tenement applications in the Eromanga Basin
- South Australia – Gawler Craton IOCG targets – geophysical interpretation completed. Access and drill planning continuing.

Copper Hill

Consulting engineering firm, Calder Maloney Pty Ltd, has delivered the final Scoping Study of the engineering requirements and plant capital costs for development of the Copper Hill deposit near Molong, NSW as set out in the last Quarterly Report.

The plant capital cost estimate is \$92 million. Other major items of on-site infrastructure which were not included in the Scoping Study were freehold land purchases, waste rock storage and tailings storage facilities. These would form the subject of separate studies. While not examined in any detail in the Scoping Study, they have been

identified in the overall, total project capital cost estimate, including plant, for which a notional value of \$155 million has been assigned.

The design for the study was based on a 2 million tonnes per annum crush–grind–float mill and plant to produce a 20% to 25% copper concentrate containing 10 to 20 grams per tonne (g/t) gold. Mill throughput would be provided from a 30 million tonne starter pit with an average grade of 0.4% copper and 0.5 g/t gold at a cut-off grade of 0.2% copper.

The initial 30 million tonne planned open pit contains 120,000 tonnes copper and 480,000 ounces of gold.

The layout was optimised for the Copper Hill site and topography, which allowed for an economical design taking advantage of the natural land slopes to minimise earthworks and to assist with drainage and containment.

Typical designs have been used for the flotation, concentrate filtration, storage and load-out facilities. Equipment selection was based on recent plant designs and a detailed mass balance prepared specifically for Copper Hill.

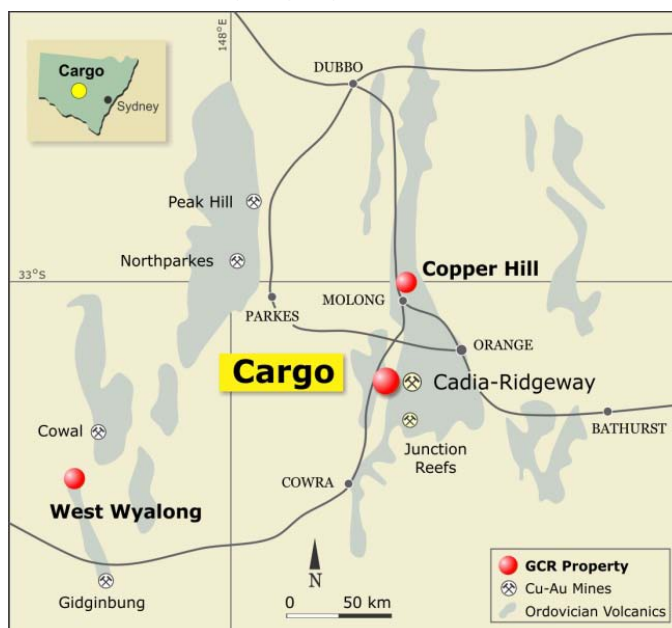
Cargo

GCR has completed a program of three twin PQ/HQ core holes to confirm previous reverse-circulation drilling results at the Spur-Dalcoath gold targets at Cargo.

The holes returned best intersections of:

SD003, 30 metres at 1.89 g/t gold and 1 metre at 38.0 g/t gold,
SD004, 13 metres at 3.99 g/t gold and
SD005, 26 metres at 1.87 g/t gold within 67 metres at 1.15 g/t gold.

Details, including high grade zones and broader intercepts, are set out below.



The Cargo Goldfield lies 15 kilometres west of Cadia and 50 kilometres south-southwest of Copper Hill. It has been mined intermittently for over 140 years.

Cyprus Gold Australia drill-tested gold zones in the 1980's defining what are now potentially economic bodies of near-surface gold mineralisation and indicating an achievable exploration target of over 200,000 ounces of gold.

H&S Consultants have been retained to estimate a JORC-compliant resource which is expected by month's end.

Figure 1. Location



The Spur-Dalcoath vein systems currently being evaluated are the first of more than ten vein systems radiating from the Cargo Intrusive Centre.

Using a 0.5 g/t cut-off grade and 2 metre maximum internal dilution,

SD003 (twinning previous RC hole CRC6) returned

**10 metres @ 0.67 g/t gold from 5m,
7 metres @ 0.5 g/t gold from 19m,
30 metres @ 1.89 g/t gold from 33m and
1 metre @ 38.0 g/t gold from 95m.**

A direct comparison with CRC6 (**58 metres @ 1.10 g/t gold**) using a 0.3 g/t gold cut-off, gives a slightly longer and slightly higher grade interval from SD003 of **63 metres @ 1.15g/t gold**.

SD004 (twinning RC hole JG74)

A mineralised zone of **55m grading 1.27 g/t gold** from 53m [compared with 54m @ 1.04 g/t gold from 41 metres in JG74] contains, using a 0.5 g/t gold cut-off grade and 2 metre maximum internal dilution, the following economic intercepts:

**6.3 metres @ 2.82 g/t gold from 59.7 metres
13 metres @ 3.99 g/t gold from 69 metres
3 metres @ 1.06 g/t gold from 102metres**

The upper two zones consolidate into **25.3 metres @ 2.79 g/t gold** if a 0.3 g/t gold cut-off with a 2 metre maximum internal dilution are applied.

As with SD003 there is considerable additional information now available from this core drilling program of the internal grade distribution, with **peak values of 25.7, 10.85, and 9.12 g/t gold** over one metre intervals within thinner, but high grade, sub-zones.

SD005, twinning RC hole JG57

A mineralised zone of **67metres grading 1.15 g/t gold** [compared with 59metres @ 0.85 g/t gold in the twin RC hole JG57] contains, using a 0.5 g/t gold cut-off grade and 2 metre maximum internal dilution interval, the following zones:

**26 metres @ 1.87 g/t gold from surface
12 metres @ 0.97 g/t gold from 29 metres
13m @ 1.08 g/t gold from 48 metres**



Using 0.3 g/t gold cut-off grade, the two upper zones consolidate into **41 metres @ 1.49 g/t gold** from surface.

Peak values of 7.14, 6.40 g/t gold are lower than in SD003 and SD004, but continue to demonstrate the presence of narrow, high grade zones.

Preliminary structural measurements on core suggest the attitude of some of the mineralised zones is steeply to moderately east dipping. Further evaluation of the geometry of the vein sets is underway to assist modelling and follow-up drill planning, including a series of 'scissor' holes.

Selected core from this program will form the basis of metallurgical test-work to determine gold recoveries from a range of processing options.

SD003, SD004 and SD005's location are shown in Figure 2 and co-ordinates for all three twin holes are listed in Table 1.

Spur-Dalcoath – Background and Potential

The Spur-Dalcoath area comprises several sub-parallel gold-bearing quartz vein systems with gold-bearing disseminated and veined pyrite +/- chalcopyrite zones, radiating from the central Cargo Porphyry Intrusion.

Close-spaced historical RC drilling generally extends to 50m vertically with a few holes testing deeper targets. This core drilling program has defined deeper high grade mineralisation which remains open.

Initial pit optimisations, based on the Cyprus Gold and GCR drill data and using current gold prices, show clear potential for an economic resource to be defined at Spur-Dalcoath to a depth of 75 metres. H&S Consultants has been retained to estimate a JORC-compliant Inferred Resource which is expected to be similar to the historical estimate of about 8 million tonnes at a grade, using a 0.5 g/t gold cut-off and a 20 g/t gold top cut, of 0.8g/t gold containing around 220,000 ounces of gold.

<i>Hole No.</i>	<i>Easting (Local)</i>	<i>Northing (Local)</i>	<i>RL (metres)</i>	<i>Dip (degrees)</i>	<i>Azimuth (mag)</i>
<i>SD003</i>	<i>666783 (4616)</i>	<i>6299125 (4275)</i>	<i>556</i>	<i>-55</i>	<i>066</i>
<i>SD004</i>	<i>666785 (4607)</i>	<i>6299070 (4225)</i>	<i>547</i>	<i>-55</i>	<i>066</i>
<i>SD005</i>	<i>666768 (4605)</i>	<i>6299163 (4325)</i>	<i>558</i>	<i>-55</i>	<i>066</i>

Table 1: Spur-Dalcoath. Twin drill hole location data

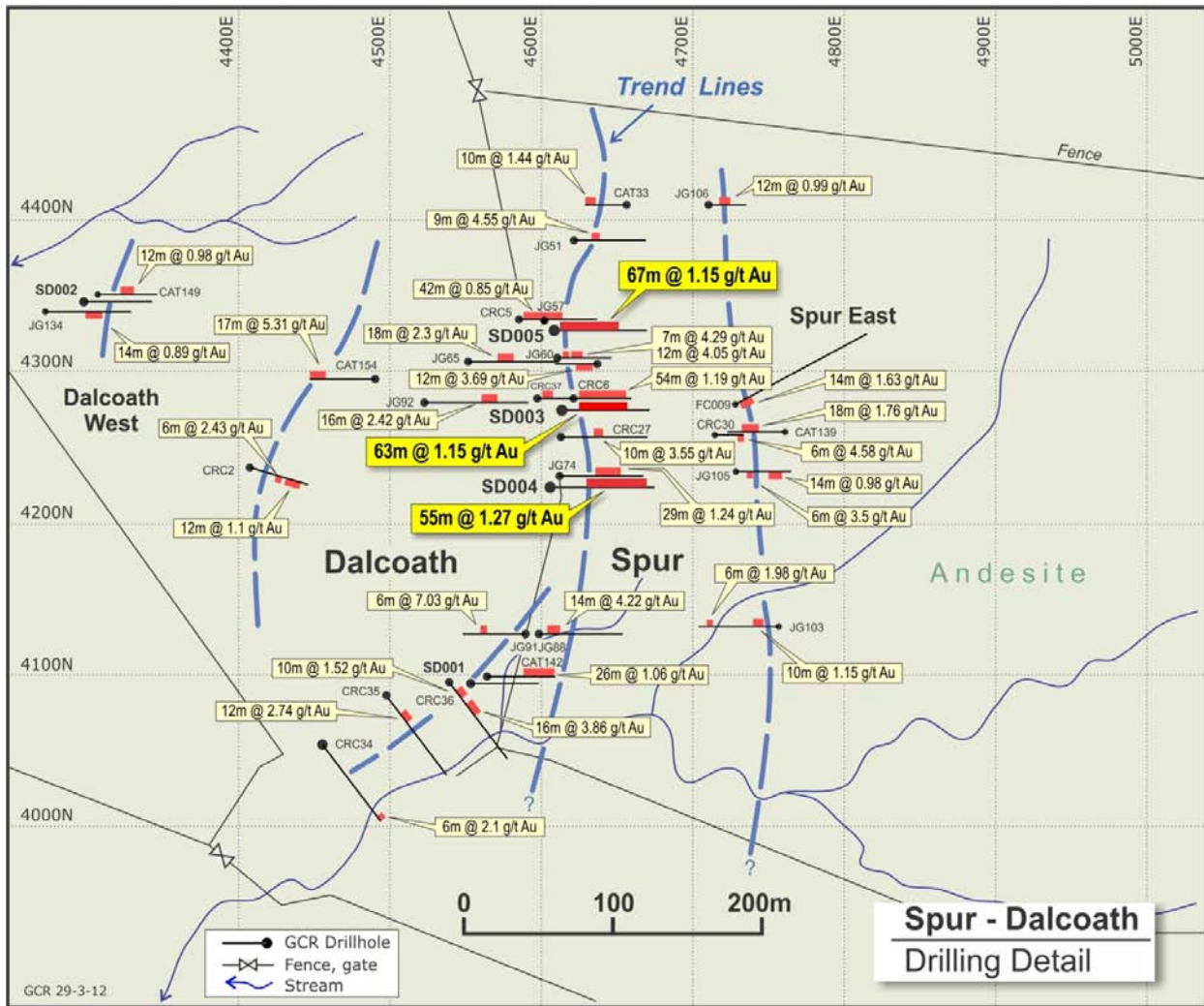


Figure 2: Spur-Dalcoath Drilling Detail – Historical Results showing location of recent GCR holes including new twin holes SD003, SD004 and SD005

Queensland Coal – Eromanga Basin. 2,250 square kilometres in 3 EPCA's
 Baykool South, Baykool Central and Baykool North – collectively the Baykool Project

Golden Cross Operations Pty Ltd (GCO) has lodged three applications for coal exploration permits (EPCs) over sections of the Eromanga Basin in Western Queensland considered prospective for commercial coal deposits. These applications are located west of Charleville and cover a large total area of approximately 2,250 square kilometres.

The area is serviced by good road and rail infrastructure, and is close to a proposed extension of the Queensland rail network to connect Jericho to the Abbot Point coal terminal near Bowen.

The Winton Formation, portions of which are contained within GCO's application areas, contains accumulations of coal seams in a paralic to non-marine environment. The Winton Formation is the youngest Cretaceous unit preserved in the Eromanga Basin

and outcrops in the Baykool EPCA's or lies beneath Quaternary gravels and alluvium. This unit is up to 1.2 kilometres thick (although more typically 400 metres to 700 metres thick), and generally contains thermal coals.

Recent coal discoveries in the Winton Formation have confirmed the potential of the Blackall-Charleville district to host potentially economic coal deposits. For example coal has been intersected only 15 metres below the surface at East Energy's Blackall/Carlow deposit approximately 65 kilometres SSW of Blackall, where raw coal resources currently stand at 1.22Bt in the JORC Inferred category.

Based on the limited test work, coals from the Winton Formation appear to be low-ash, low-sulphur, high volatile, low rank sub-bituminous coals suitable for thermal power generation.

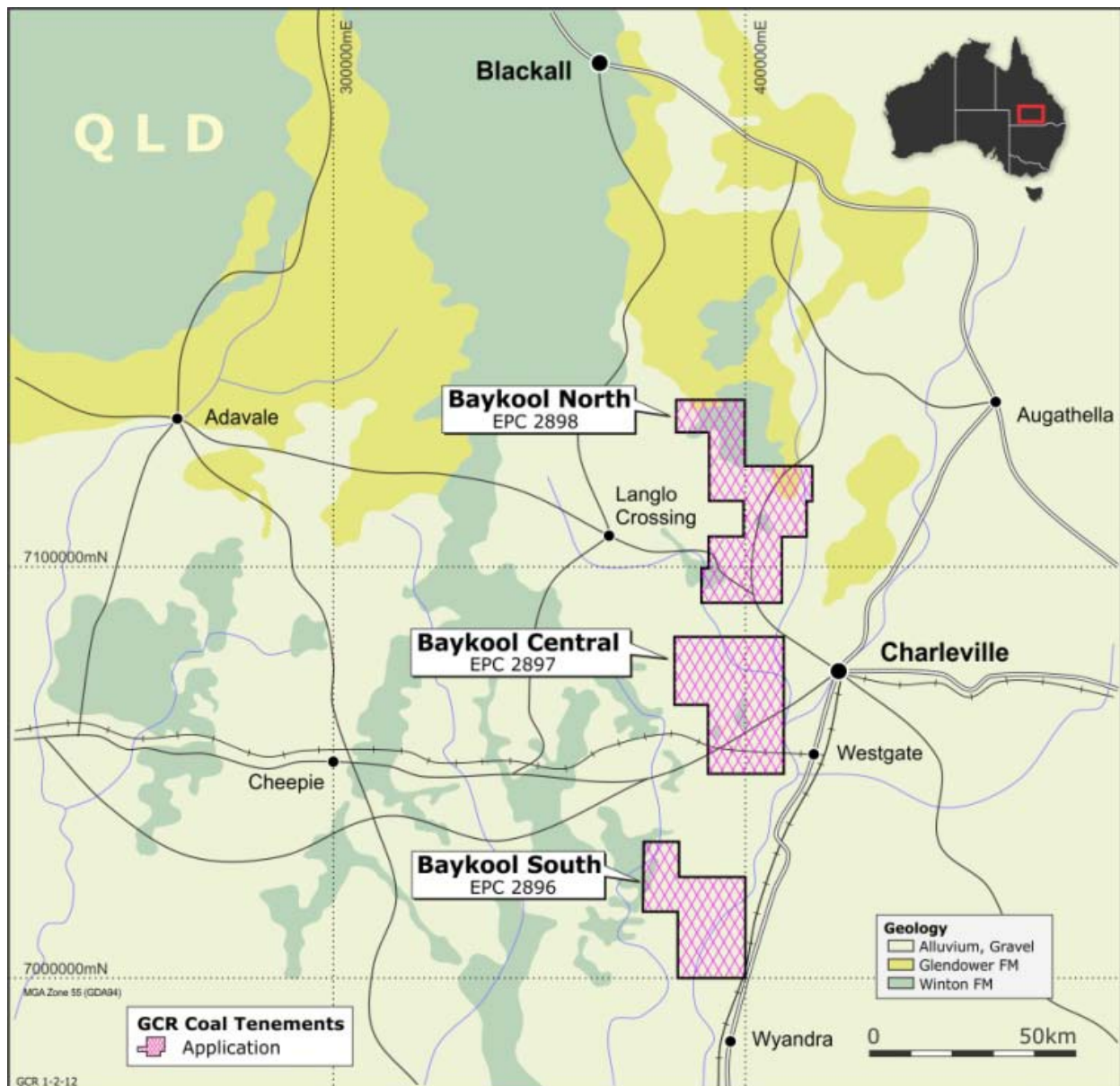


Figure 3: GCR's Eromanga Basin Coal applications – the Baykool Project. Note Road & Rail access.

South Australia

Oolgelima Hill, Giddinna, Warriner Creek, Codna Hill, Koolymilka, Stuart Range

Geophysical evaluation, by Melbourne-based three dimensional modelling consultants PGN Geoscience, has been completed using GCR and South Australian government geophysical data to determine target depths.

The PGN work has defined, in considerable detail, geological structures, hematite and magnetite alteration zones, intrusive centres and potential targets.

Additional work is required to finalise access arrangements with Native Title Claimants in the drill target areas.

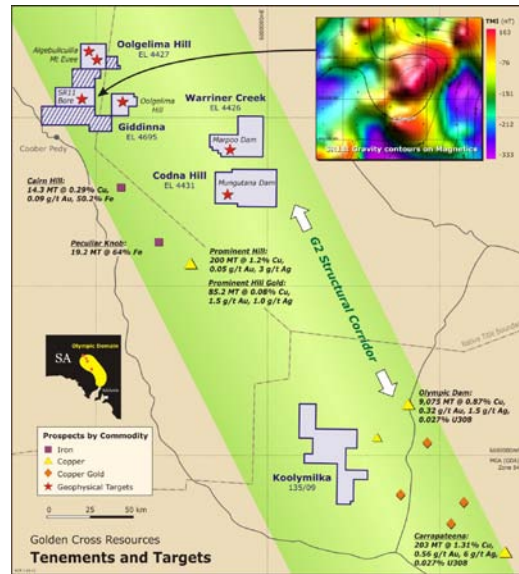


Figure 4: GCR's South Australian IOCG tenements and anomalies including SR11

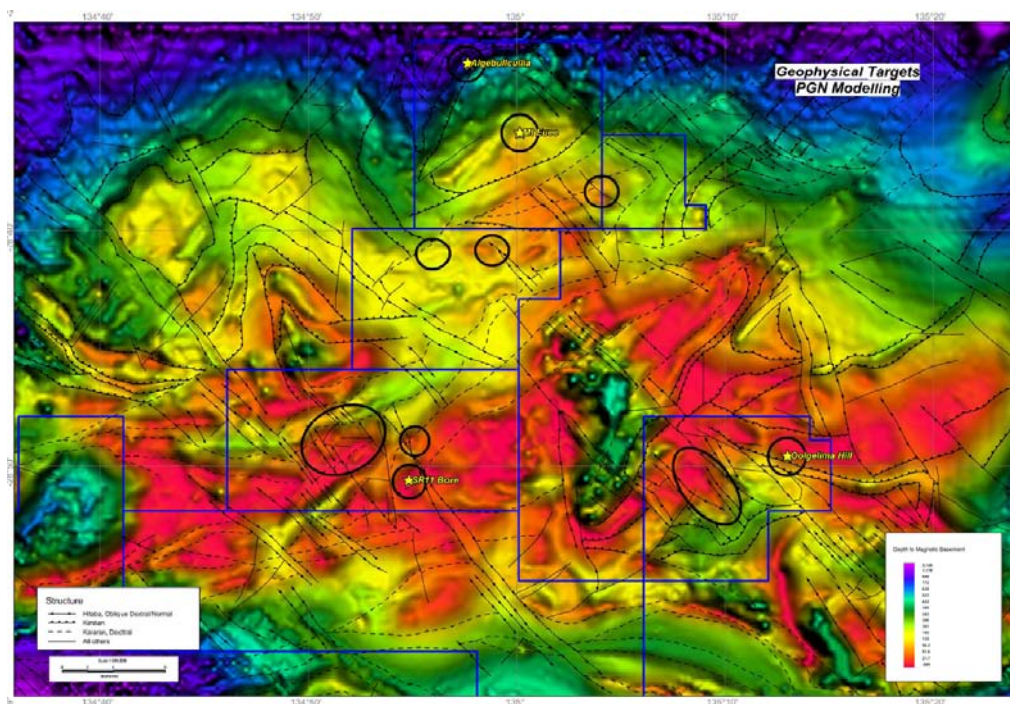


Figure 5: GCR Tenements on processed magnetic with target areas marked



GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

Corporate Directory

Board of Directors

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

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www.goldencross.com.au

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 project is the Copper Hill copper-gold deposit 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 Resource, (Lewis Mineral Resource Consulting, ASX announcement 13 Dec. 2011) of 153 million tonnes, contains 511,000 tonnes of copper and 1.35 million ounces of gold. The initial 30 million tonne planned open pit contains 120,000 tonnes copper and 480,000 ounces of gold.

Future drilling efforts will be aimed at extending the size and grade of the mineralisation. Metallurgical studies are continuing to maximise copper and gold recoveries.

Completion of the Scoping Study was achieved at the end of 2011 with a Feasibility Study, acceptable to financiers, now scheduled for mid-2012. Now the Scoping Study review is complete, GCR has more certainty regarding the potential for the project to become an operating mine. Studies are on-going and remain encouraging.

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.

