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QUARTERLY REPORT JUNE 2011

29 July 2011

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HIGHLIGHTS

Copper Hill

- Geological Resource: 197 million tonnes at 0.31% copper and 0.26g/t gold
- Start-up 30 million tonne Open Pit planned.
- Mill and Plant throughput options and costings underway
- Mill expansion capability will be integral to the overall design
- Detailed mine plans have been prepared

Other Projects

- Additional airborne magnetic survey at Canbelego (Cobar region) projects
- Coincident Magnetic - Gravity anomalies detected in Gawler Craton projects

Copper Hill

The new Copper Hill geological resource is 197 million tonnes at grades of 0.31% copper and 0.26 g/t gold (using a 0.2% copper cut-off grade) and is an increase of 24 million tonnes from the previous estimate released in October 2010.

Measured + Indicated + Inferred Resource											
	Resource Inside Reporting Pit						Resource Outside Reporting Pit				
Copper Cut-off grade %	Million Tonnes	Cu %	Au g/t	Cu metal '000 tonnes	Au million Oz		Million Tonnes	Cu %	Au g/t	Cu metal 000 tonnes	Au Million Oz
0.1	347	0.23	0.21	795.3	2.3		207	0.16	0.12	324.6	0.8
0.2	**163**	**0.32**	**0.27**	**527.0**	**1.4**		**34**	**0.27**	**0.19**	**91.4**	**0.2**
0.3	75	0.42	0.34	313.7	0.8		9	0.36	0.28	31.3	<0.1
0.4	31	0.53	0.44	163.7	0.4		2	0.45	0.37	8.9	<0.1
0.5	**11**	**0.67**	**0.61**	**76.9**	**0.2**		0.2	0.55	0.41	1.3	<0.1

Table 1. Copper Hill Resource Estimate – June 24, 2011

Detailed results with Compliance Statements were set out in the announcement sent to the ASX dated 24 June 2011 and are appended to this report.

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A start-up pit containing 30 million tonnes with head grades of 0.5% copper and 0.5g/t gold has been designed. Cost estimates for an initial 1 to 2 million tonnes per annum mill throughput will be prepared by external consultants in July-August, 2011. Final designs will incorporate substantial expansion capability.

Benefits will be:

- **Lower capital costs**
- **Faster time-line to production**
- **Water and power requirements will be reduced**
- **Regulatory approval process will be much less complex**
- **Higher grades, with an initial 11Mt pit at 0.67% copper and 0.61g/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 uses 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 conservative (worst case) metal recoveries of 75% for copper and 45% for gold. Indications are that a start-up pit, based on new resource estimates, containing 30 million tonnes of mineralised rock with head grades of 0.53% copper and 0.44g/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 will 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.

Metallurgical testing to improve recoveries using the new core samples continues in Australia at Metcon Laboratories. Metallurgical test-work is also being carried out in China under CUMIC's supervision. Samples, matching those being tested in Australia, were despatched to Beijing in June.

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.

Current studies indicate favourable economic returns in mining from the 30Mt open pit shown in Figure 1 below. Within this pit, using the June Resource Estimate, is an 11Mt resource with grades of 0.67% copper and 0.61g/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.

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Figure 1. 3-D Schematic showing potential open pit containing 30Mt with average grades of 0.53% copper and 0.44g/t gold.

Copper Hill – Drilling

During the June Quarter 1,532 metres of core drilling was undertaken in 5 completed holes, GCHR446-449 and two extension of previous holes GCHR270 and 313.

Drill assay results received in the June Quarter from Copper Hill have extended the resource envelopes at Wattle Hill and Buckley's Hill and contributed tonnes and grade to the latest (June 24) resource estimate.

Drilling continued through the quarter with one hole testing for major depth extensions under extensive, higher grade zones beneath the main Copper Hill deposit. Previous intersections in this area include 54 metres at 0.79% copper and 2.35 g/t gold and 128 metres at 0.48% copper and 0.56g/t gold.

Assay results from previously reported drilling of the **oxide zone** at Copper Hill were received including:-

48 metres at 1.0 g/t gold,

22 metres at 3.07 g/t gold

37 metres at 1.8g/t gold

12 metres at 1.82% copper

37 metres at 1.44% copper

27 metres at 1.92% copper

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This program has defined, much more closely, the near surface oxide and transition zone copper and gold mineralisation which will be available for early exploitation.

The current metallurgical test work program has been expanded to include this material to determine what maximum recoveries will be achievable and which processing methods will be used.

Tables 2 and 3 list selected intervals with copper and gold grades.

Hole ID	Easting	Northing	From (m)	Interval (m)	Copper %	Gold g/t
GCHR400	674346	6341409	0	22	0.97	0.77
GCHR404	674213	6341376	14	14	1.55	0.46
GCHR410	674359	6341396	0	31	0.81	1.81
GCHR411	674332	6341391	0	40	0.78	1.85
		incl	16	12	1.82	0.87
GCHR412	674368	6341372	8	22	0.7	1.51
GCHR413	674342	6341367	10	27	1.92	2.01
GCHR414	674346	6341349	14	26	0.66	1.19
GCHR415	674336	6341340	20	23	0.42	0.37
GCHR429	674658	6341237	32	32	0.99	0.32
		incl	34	20	1.18	0.27
		and	74	8	0.5	0.25
GCHR431	674692	6341251	0	64	0.54	0.88

Table 2. Significant copper results at a 0.2% copper cutoff-grade

Hole ID	Easting	Northing	From (m)	Interval (m)	Copper %	Gold g/t
GCHR354	674696	6341363	0	16	0.23	0.83
GCHR365	674656	6341337	0	48	0.27	1.0
GCHR389	674555	6341216	2	42	0.06	0.74
GCHR400	674346	6341409	0	21	0.97	0.77
GCHR401	674311	6341414	0	19	0.74	1.08
GCHR402	674276	6341419	2	25	0.46	1.42
GCHR410	674359	6341396	0	31	0.81	1.81
GCHR411	674332	6341391	0	22	0.62	3.07
GCHR412	674368	6341372	0	30	0.55	1.2
GCHR413	674342	6341367	0	37	1.44	1.8
GCHR414	674346	6341349	6	34	0.53	1.05
GCHR423	674657	6341207	28	14	0.66	0.87
GCHR431	674692	6341251	0	64	0.54	0.88

Table 3. Significant gold results at a 0.3 g/t gold cutoff-grade

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Extensions to the porphyry-style copper gold mineralisation at Wattle Hill, 800 metres south east from Copper Hill.

Assay results from RCP holes GCHR442-444 were received during the quarter and at a 0.2% copper cut-off the holes intersected:

Significant Intercepts						
Hole No.	**From (m)**	**To (m)**	**Interval (m)**	**Copper (%)**	**Gold (g/t)**	**Comment**
GCHR442	4	10	6	0.22%	0.31	
	44	106	62	0.34%	0.38	
	122	140 EOH	18	0.31%	0.19	Ends in mineralisation
GCHR443	34	50	16	0.26%	0.23	
	66	76	10	0.29%	0.41	
GCHR444	2	10	8	0.28%	0.12	
	24	40	16	0.63%	0.19	

Table 4. Significant copper and gold results from Wattle Hill 0.2% copper cut-off,

Step-out drilling to the north of Copper Hill continued during the quarter. Deeper drilling is planned at Wattle Hill, to follow-up zones of +2% copper intersected previously and also targeting extensions of the recently reported Oxide Resource drilling program.

Kempfield Silver

Golden Cross sold its 30% interest in the Kempfield Silver Project to Argent Minerals Ltd (ARD) for $1 million cash and $2 million in ARD shares

The sale of its 30% interest in the Kempfield Silver Project to Argent Minerals was announced by GCR in April 2011. Government approval is required to finalise the transaction at which time ARD will be entitled to 100% of the project. Approval is expected early in the September quarter.

The following is payable for GCR's 30% interest in Kempfield:

- $1.0 million in cash at settlement;
- $1.0 million worth of fully paid ARD shares at settlement, issued at the VWAP over the 5 days prior to signing the Sale Agreement; and
- $1.0 million upon a Decision to Mine at Kempfield, payable, at ARD's election, in cash or shares issued at the VWAP over the 5 days prior to the Decision to Mine.

ARD reports that the Kempfield project is currently the subject of a Definitive Feasibility Study (DFS) to produce silver, gold, lead and zinc, at a throughput rate of 1.5 Mtpa for 10 years. The DFS is scheduled to be finalised by December 2011 at an estimated cost of $2.5 million. Subject to the outcome of the DFS and successful permitting, construction and commissioning, first silver production from Kempfield is scheduled for mid-2013.

GCR currently holds 1 million ARD shares

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Cobar Region *(see Figure 2)*

Canbelego Group

Burra, Rosevale, Fairview Tank, Shango South

- High resolution aeromagnetic survey at 50m line spacing completed over Burra, Fairview and Shango.
- Preliminary magnetic image evaluated against 2010 VTEM survey results
- Evaluation of ionic leach surface sampling continuing
- High quality geochemical targets identified in pre-existing data for further testing.

Rast Central Group

Delaneys Tank, Pine Ridge, Kilparney, Rast, Guapa Tank, Burthong Creek

- Evaluation of ionic leach surface sampling continuing
- New VTEM profiles delivered

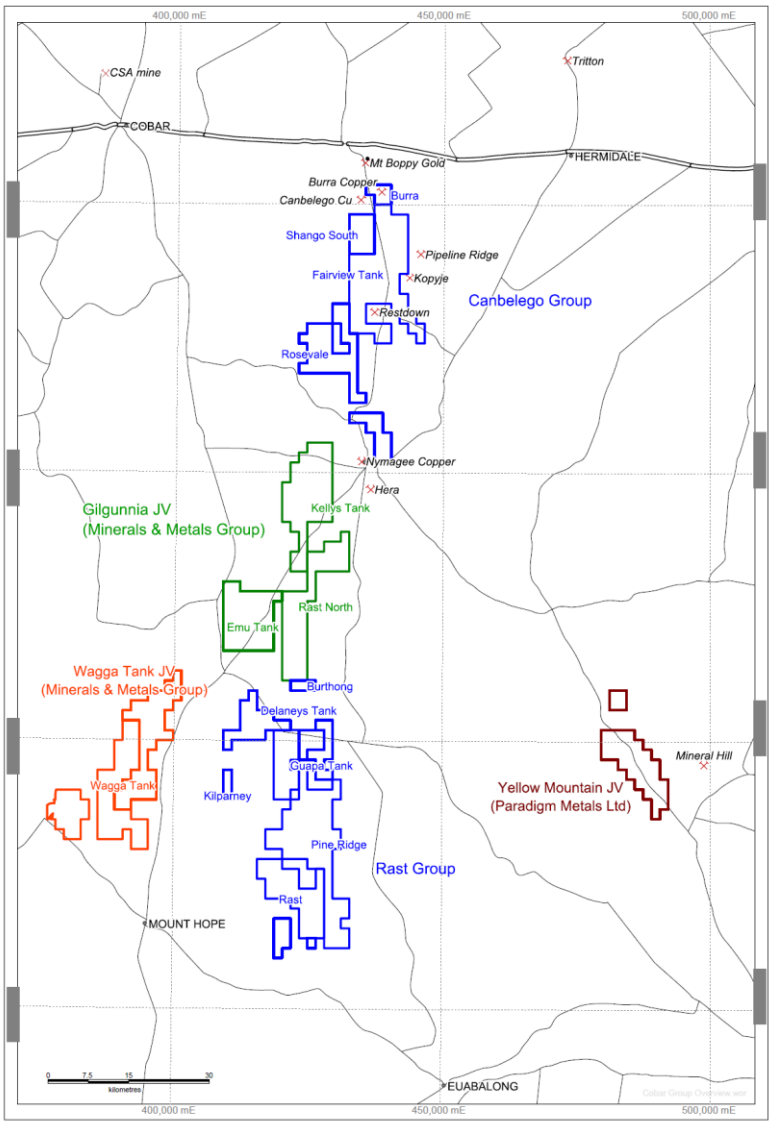

Figure 2. Cobar Region Project locations and Joint Ventures

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South Australia (see Figures 3 & 4)

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

- The Federal Government announced reduced restrictions on access to Woomera Prohibited Area, creating three new zones. GCR's tenements are in the designated Green Zone with the Koolymilka application remaining in the high security, but still accessible Red Zone. GCR's tenement locations and geophysical exploration targets within the G2 structural trend are shown in Figure 3.
- Gravity surveys have defined new magnetic/gravity targets (example shown in Figure 4), adding to the previous 5 targets. A 2500 metre drilling program is being planned.
- Further access to complete program is subject to native title agreement with two claimant groups, and clearances

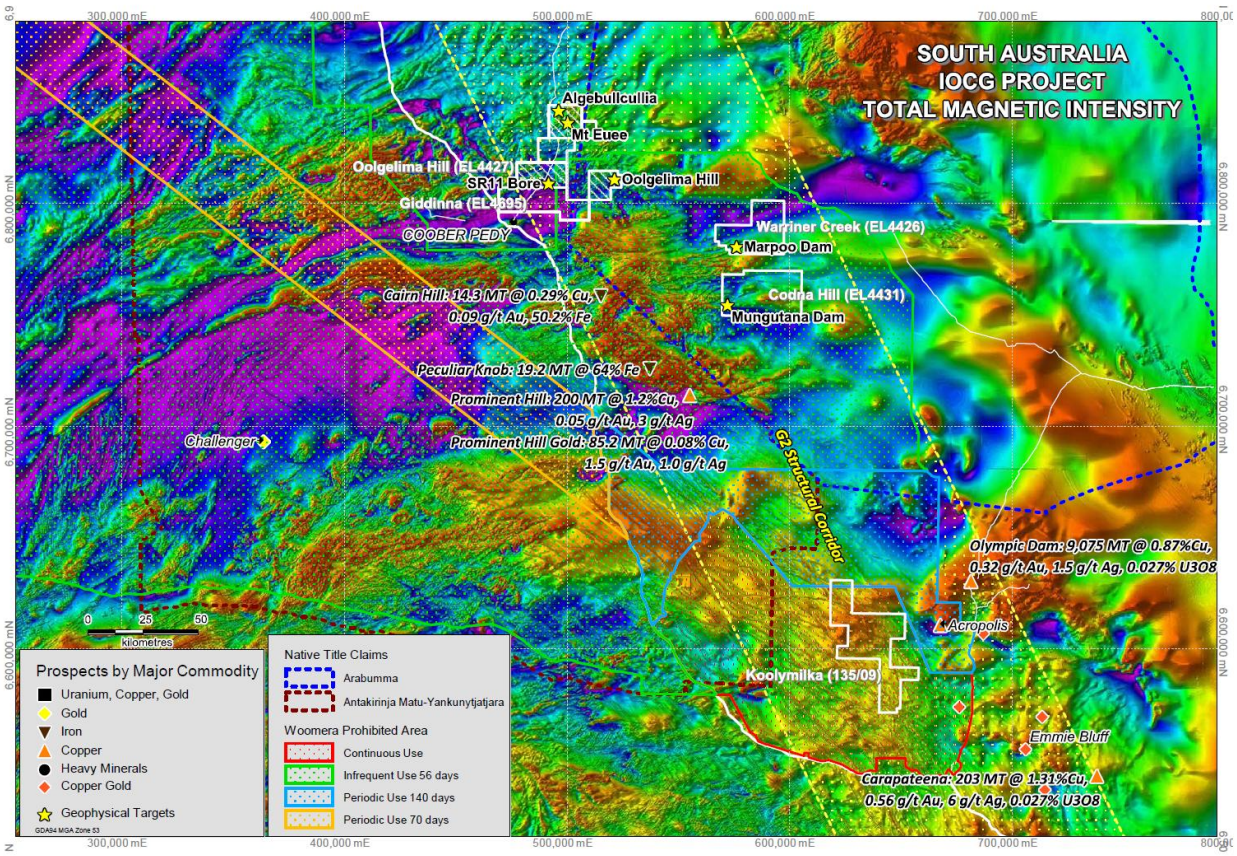

Figure 3. GCR's South Australia Tenements & Drill Targets on Magnetic Image
Also showing major mines and the G2 Structural Trend (interpreted in green stipple)

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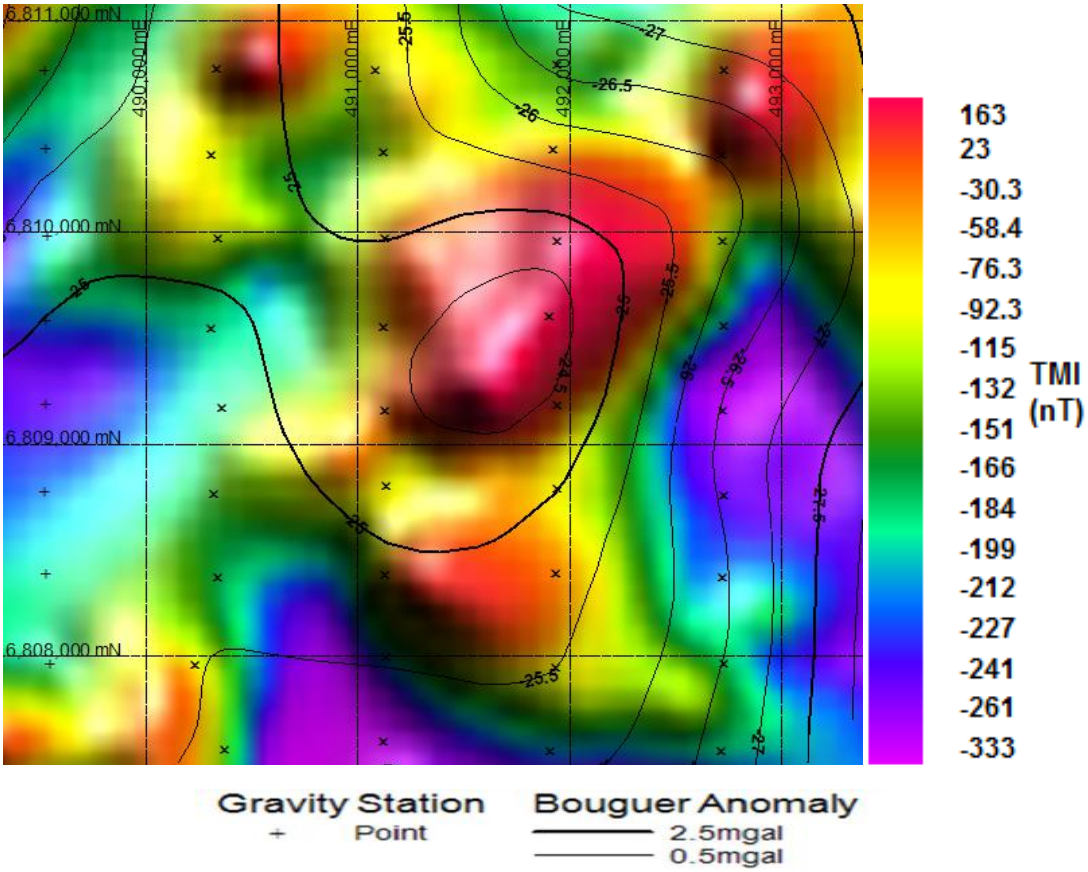

Figure 4. South Australia EL4427: New magnetic & gravity anomaly at SR11 Bore

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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
Registries Limited
Level 7
207 Kent Street
Sydney NSW 2000

Phone (61 2) 9290 9600
Fax (61 2) 9279 0664

Registered Office

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22 Edgeworth David Avenue
Hornsby NSW 2077
Australia.

Phone: (61 2) 9472 3500
Fax: (61 2) 9482 8488
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 activity is developing the Copper Hill copper-gold project in central NSW. GCR also has many other high quality, prospective projects across Australia as well as joint ventures, funded and managed by GCR's partners.

The Copper Hill project geological resource contains 618,000 tonnes of copper and 1.6 million 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 of the potential for the project to become an operating mine. Indications to date are promising.

HQ Mining Resources (HQMR) holds a 32% shareholding in GCR. HQMR is the Australian investment vehicle of Beijing-based China United Mining Investment Co Ltd (CUMIC). HQMR brings additional operational, development and marketing expertise to GCR, including access to mining and processing equipment from China and a bridge to international investors.

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.

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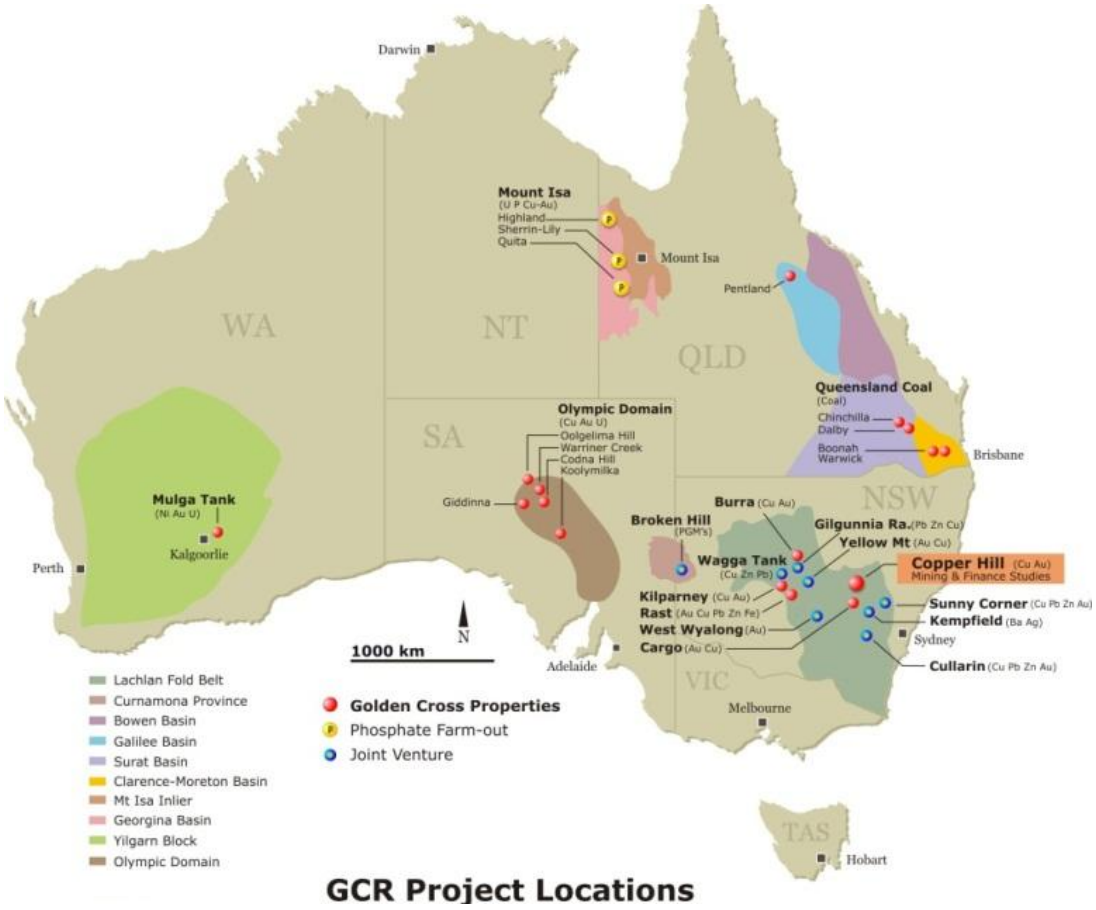

GCR Project Locations

Copper Hill Geological Resource Estimates

Resource estimates at Copper Hill have been performed by Dr Phillip Hellman, FAIG, who is a Director of Hellman & Schofield Pty Ltd ("H&S") and who qualifies as a Competent Person under the meaning of the 2004 JORC Code. He consents to the inclusion of these estimates, and the attached notes, in the form and context in which they appear.

The new Copper Hill geological resource is 197 million tonnes at grades of 0.31% copper and 0.26 g/t gold and is an increase of 24 million tonnes from the previous estimate released in October 2010.

Resource Inside Reporting Pit							**Resource Outside Reporting Pit**				
Measured + Indicated + Inferred Resource											
Copper Cut-off grade %	**Million Tonnes**	**Cu %**	**Au g/t**	**Cu metal '000 tonnes**	**Au million Oz**		**Million Tonnes**	**Cu %**	**Au g/t**	**Cu metal 000 tonnes**	**Au Million Oz**
0.1	347	0.23	0.21	795.3	2.3		207	0.16	0.12	324.6	0.8
0.2	**163**	**0.32**	**0.27**	**527.0**	**1.4**		**34**	**0.27**	**0.19**	**91.4**	**0.2**
0.3	75	0.42	0.34	313.7	0.8		9	0.36	0.28	31.3	<0.1
0.4	31	0.53	0.44	163.7	0.4		2	0.45	0.37	8.9	<0.1
0.5	**11**	**0.67**	**0.61**	**76.9**	**0.2**		0.2	0.55	0.41	1.3	<0.1

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Measured Resource

0.1	131	0.26	0.25	337.1	1.1		41	0.15	0.11	63.0	0.2
0.2	**73**	**0.35**	**0.32**	**250.8**	**0.7**		**5.8**	**0.27**	**0.20**	**15.8**	**<0.1**
0.3	36	0.45	0.42	161.8	0.5		1.4	0.39	0.34	5.3	<0.1
0.4	17	0.57	0.54	97.3	0.3		0.5	0.47	0.43	2.4	<0.1
0.5	8.4	0.69	0.70	58.2	0.2		0.1	0.54	0.45	0.8	<0.1

Indicated Resource

0.1	160	0.21	0.19	341.1	0.9		52	0.15	0.12	79.9	0.2
0.2	**68**	**0.31**	**0.24**	**207.7**	**0.5**		**7.9**	**0.26**	**0.20**	**20.6**	**<0.1**
0.3	28	0.40	0.29	110.5	0.3		1.6	0.37	0.30	6.0	<0.1
0.4	10	0.49	0.32	50.7	0.1		0.5	0.44	0.36	2.1	<0.1
0.5	2.7	0.62	0.39	16.6	<0.1		<0.1	0.57	0.17	0.2	<0.1

Inferred Resource

0.1	56	0.21	0.17	117.1	0.3		114	0.16	0.12	181.7	0.4
0.2	**22**	**0.31**	**0.22**	**68.5**	**0.2**		**21**	**0.27**	**0.19**	**55.0**	**0.1**
0.3	11	0.38	0.25	41.4	<0.1		5.6	0.35	0.25	20.0	<0.1
0.4	4	3.54	0.28	15.7	<0.1		0.9	0.44	0.36	4.3	<0.1
0.5	0	0.4	0.32	2.1	<0.1		<0.1	0.58	0.42	0.3	<0.1

Various cut-off grades are provided (0.1% – 0.5% copper). The 0.2% copper cut-off is highlighted.

Totals may not sum due to rounding. Note the potential for a start-up pit at a cut-off grade of 0.5% copper

Compliance Statements

The optimised pit was generated using Whittle software to maximise undiscounted cash flow using US$5.30/lb copper and US$2,120/oz gold commodity prices and recoveries of 85% for copper and 80% for gold and 45^{o} overall pit slopes. The table above reports the resources that fall inside the pit shell on the left-hand side and the resource that is outside the shell on the right hand-side. The resource that falls inside the pit does not constitute a reserve. The block model size has been increased in plan and vertical extents to take into account the growing resource.

Statistics:

Number of drill holes: 736

Assays: 52662

Nature of data:

A total of 85,236 metres of drill holes were available for the resource estimate and comprised 61,729 metres of reverse circulation percussion drilling (RCP) and 23,507 metres of diamond core (DD) drilling. The RCP holes were predominantly two metre composite samples and the DD holes were either sampled in one metre intervals for HQ or PQ sized core or two metre intervals for NQ sized core. For estimation purposes the assay data was composited into two metre intervals. The block model consists of blocks of 20m x 20m x 5m (XYZ).Block densities were modelled using the results from over 600 samples taken of drill core from GCHR046 and above. Densities were determined by classical methods on site with check measurements, comprising approximately 10% of the bulk density samples, conducted at Australian Laboratory Services (ALS) in Orange, NSW. Analyses were undertaken at ALS Orange using 50g Fire Assay (Method AA26) for gold and ICP41 for copper and a suite of other elements.

Standards and blanks were inserted into the sample stream at regular intervals, nominally on a 25 metre cycle. Duplicate samples were submitted every 20 samples for RCP holes only.

Block Classification:

Ordinary kriging was used for the estimation with the search and data acceptance parameters used for the sulphide domains being; pass 1 (Measured) a search ellipse of 40m x 40m x 40m using a minimum of 12, 2 metre composites; pass 2 (Indicated) with a search ellipse of 60m x 67.5m x 60m and using a minimum of 10 composites; and a pass 3 (Inferred) with a search ellipse of 100m x 110m x 100m and using a minimum of 6 composites, all passes used a maximum of 32 data points. A flatter search with slightly larger search distances was used for oxide and transition domains. In addition to oxidation, additional domains were defined on the basis of position in relation to faulting and recognition of barren intrusives.

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.

GCR provided the drill hole database, which H&S has accepted in good faith as being reliable, accurate and complete. GCR also supplied a detailed geological interpretation of the Copper Hill deposit, which formed the framework for the resource estimates. The responsibility for the JORC Codes "reasonable prospects for eventual economic extraction", is taken by GCR. H&S has not validated the GCR database or geological interpretation in any detail, so responsibility for these aspects of the resource estimates, including the quality of the data, resides with GCR.

Note: The Measured, Indicated and Inferred Resource Estimates are reported under the 2004 JORC Code and Guidelines. Significant figures quoted do not imply precision and are used to minimise round-off errors

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