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QUARTERLY REPORT DECEMBER 2012

29 January 2013

HIGHLIGHTS

Copper Hill – Molong Project

- Financial study results under consideration by the GCR Board

Other Projects

- South Australia – drilling program planned, native title heritage clearances completed for three drill sites near Coober Pedy
- Cargo – seven core holes completed at the Spur-Dalcoath and Essex mineralised systems
- Airborne and follow-up ground EM completed at Rast – Gilgunnia projects

Copper Hill – Molong Project

Studies of the Copper Hill project have been completed following a review of various mining and mill throughput tonnage options. A comparative analysis suggested that 8 million tonnes of ore per year, mined, milled and processed to produce a copper-gold concentrate, would deliver the best economic outcome. This model was examined in more detail using a range of metal price, mining and capital cost assumptions. The outcomes are under consideration by the GCR Board.

South Australia – Gawler Craton IOCG

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

Golden Cross holds five granted tenements covering 3,166 km^2 within the northern Gawler Craton in South Australia near Coober Pedy, an emerging centre for copper-gold, iron ore and energy developments. The tenements cover several structural domains north of the highly prospective Olympic Domain, which hosts the world-class iron-oxide-copper-gold (IOCG) deposits of Olympic Dam and Carrapateena.

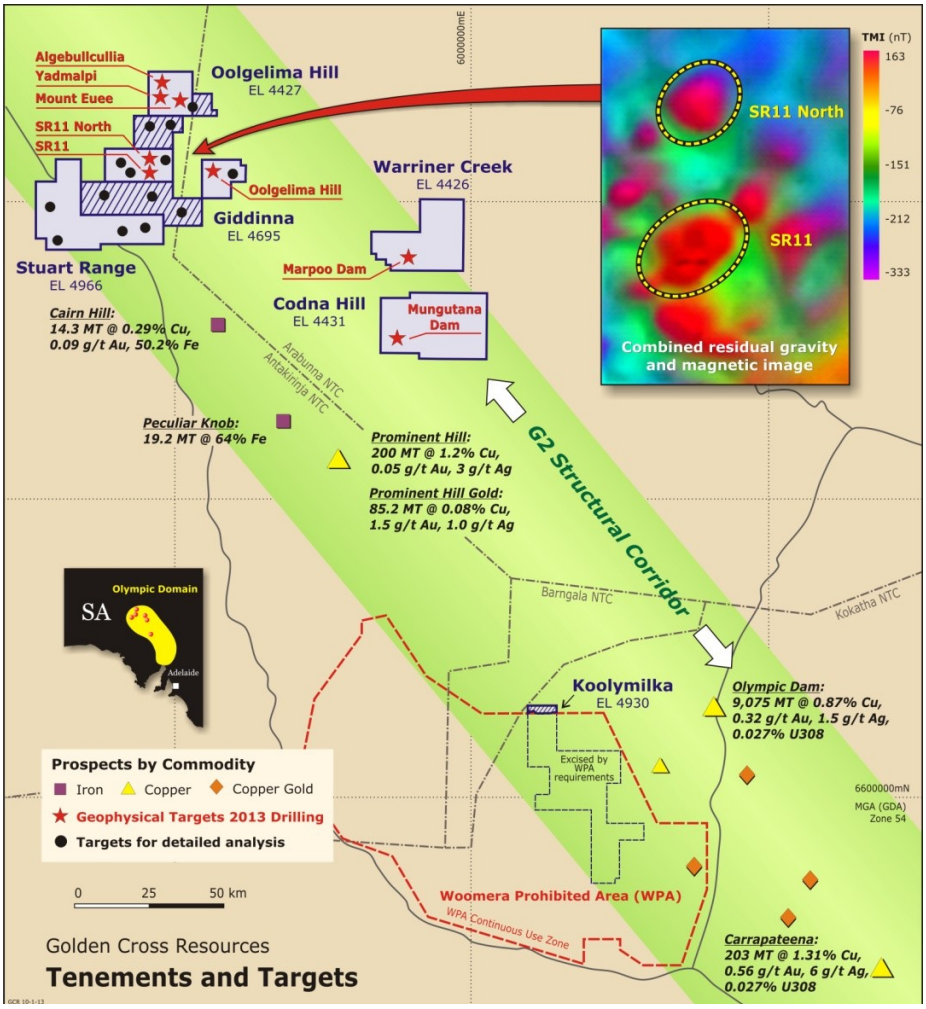


Figure 1: GCR's South Australian IOCG tenements and drill targets (red stars)

To the northwest, within the G2 structural corridor, the Mount Woods Inlier contains the Prominent Hill copper-gold mine, several magnetite iron (+copper) deposits and two of GCR's exploration licences, Warriner Creek and Codna Hill. Further north, the Coober Pedy and Mabel Creek Rises host the remainder of GCR's Gawler Craton tenements extending from Coober Pedy 70 kilometres northeast towards Oodnadatta.

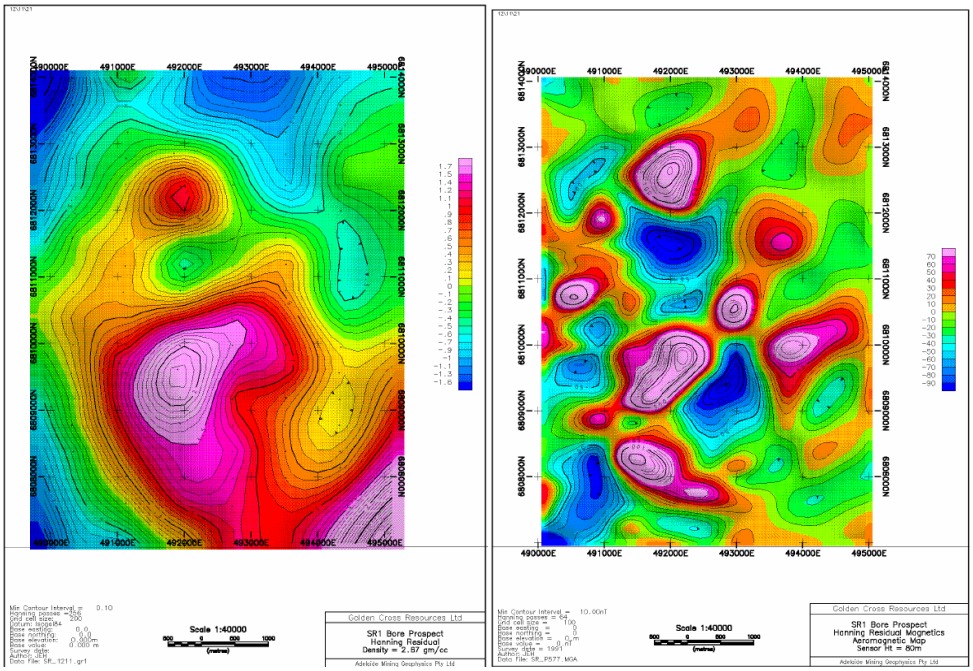
GCR has a Native Title Agreement with the Antakirinja Matu-Yankunytjatjara Aboriginal Corporation (AMYAC) and has received almost all of the necessary clearances and approvals to commence a drilling program as soon as possible on the Oolgelima Hill EL in the northern part of the Gawler Craton. Further approvals by the State and Commonwealth governments are expected soon.

Geophysical Interpretation – Oolgelima Hill EL 4427

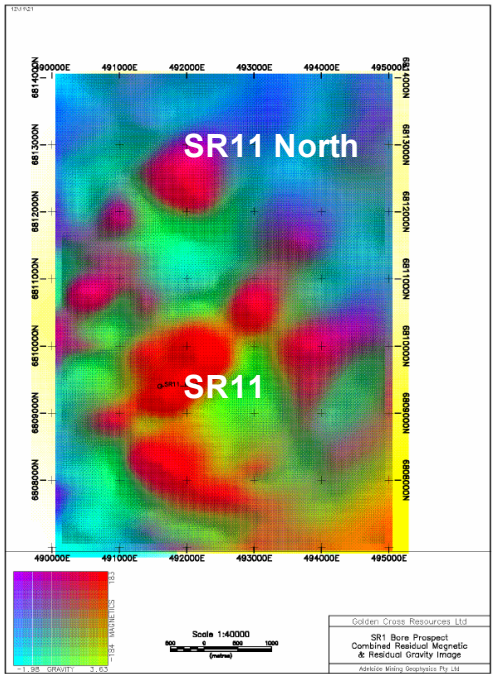
Adelaide Mining Geophysics was retained by GCR in December to review portions of the GCR's magnetic and gravity data sets and report on the potential for IOCG and Hillside-styles of mineralisation within the Oolgelima EL.

Model rock prisms were generated and assigned a rock type with magnetic susceptibility and bulk density values applied to each prism. The model data curves were correlated with observed data from the magnetic and gravity surveys. The rock types and magnetic and gravity data were then combined into a single colour image.

Figures 2 to 7 show the plotted results and potential drill targets. More targets will be generated as this work progresses on data within GCR's other Gawler EL's.

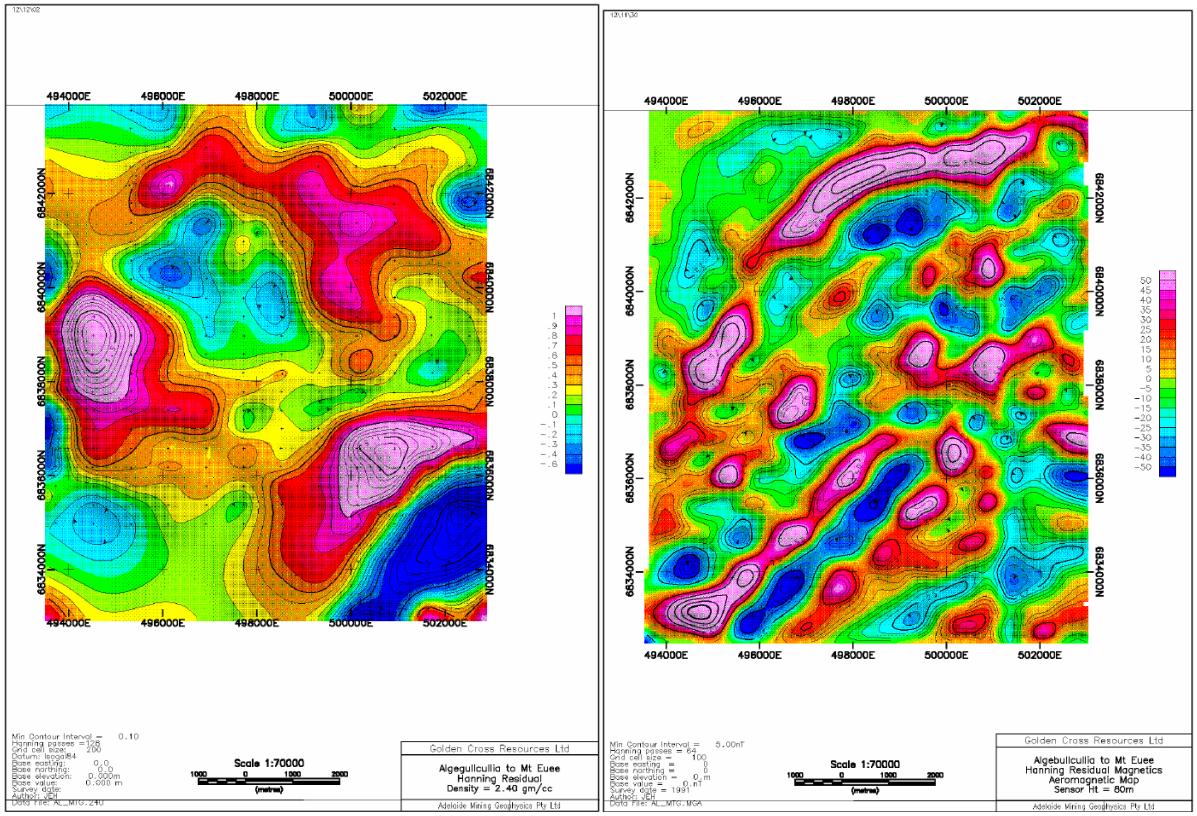


Figures 2 & 3.
Residual Density (LHS) & Residual Magnetics (RHS), SR11 Bore Oolgelima EL 4427, southern portion, eastern side.



These magnetic and gravity anomalies bear comparison with those leading to the discoveries at Prominent Hill and Carrapateena. Whilst the Olympic Dam anomalies are much larger in extent they are also largely coincident and provided the initial drilling targets which eventually led to discovery.

Figure 4.
Combined geology, residual gravity and magnetics image showing responses at SR11 Bore and SR11 North.



Figures 5 & 6.
Oolgelima Hill northern portion. Residual Density (LHS) & Residual Magnetics (RHS).
Anomalies: Algebullcullia - northwest, Yadmalpi - west-centre & Mount Euee - southeast.

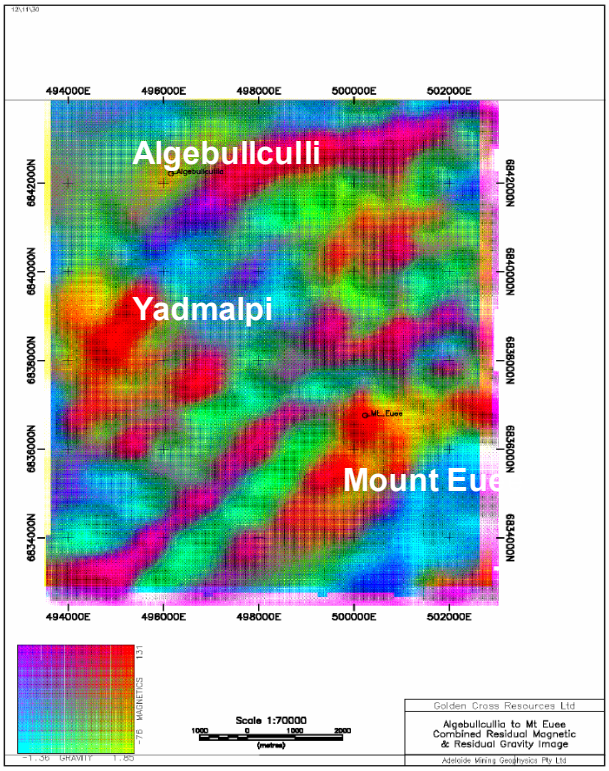


Figure 7.
Combined geology, residual gravity and magnetics image showing merged responses at Algebullcullia, Yadmalpi and Mount Euee.

Cargo Gold

GCR's program of core holes targeted mineralised zones reported from the previous drilling campaigns. Large diameter PQ & HQ core was drilled to provide geological data for planning follow-up drilling and defining JORC-compliant resources.

Spur-Dalcoath

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

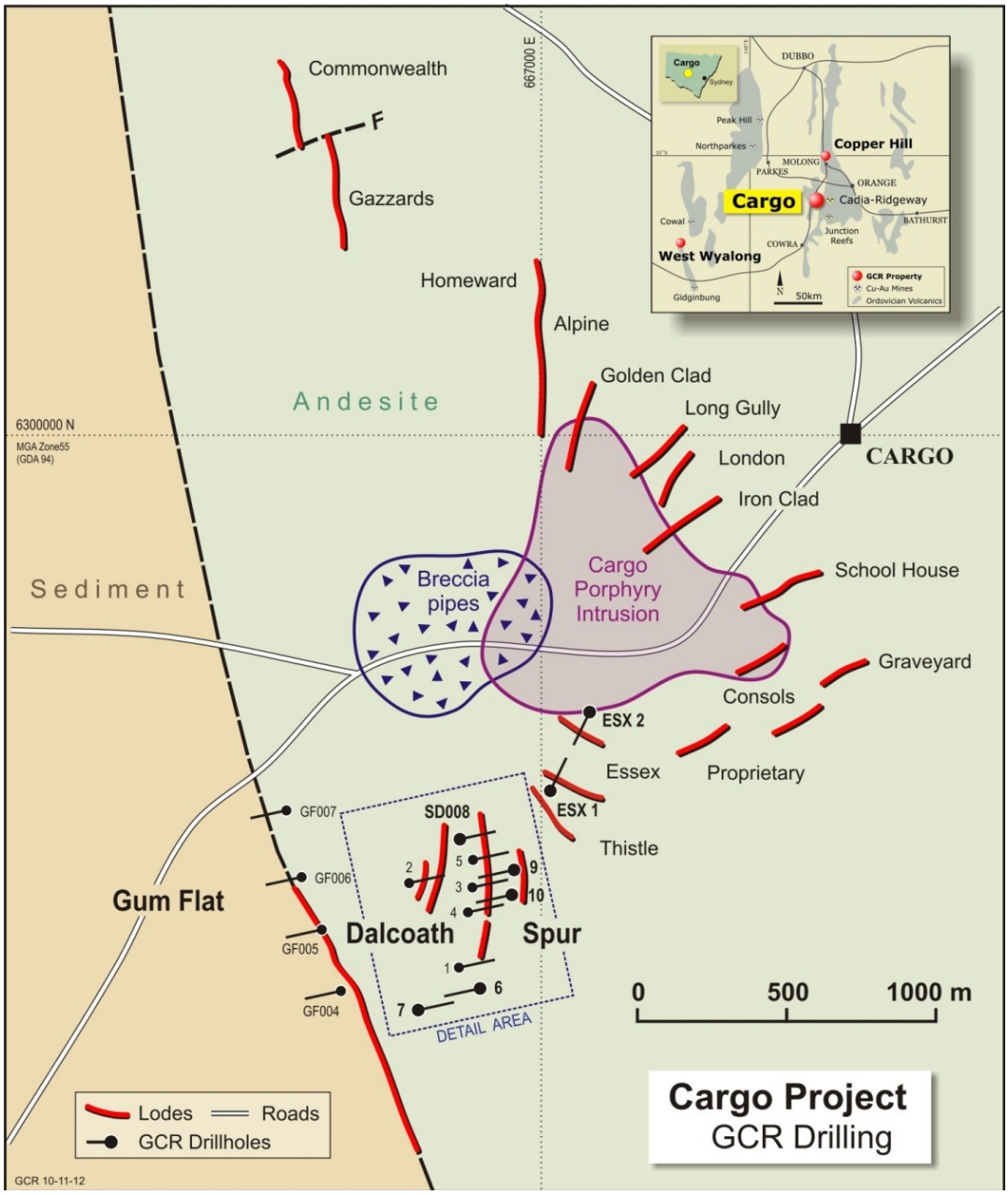


Figure 8: Cargo Gold Lode Systems

Close-spaced RC drilling extends to only 50m vertically with few holes testing potential deeper targets. The better historical ore grade intersections are shown in Figure 9.

Initial pit optimisations, based on the Cyprus Gold and GCR drill data, and using current gold prices, show potential for an economic resource to be defined at Spur-Dalcoath to a depth of 75 metres.

Drilling in 2012 indicated broad zones of mineralisation (eg. 54m @ 0.34 g/t Au in SD001), with internal intercepts of higher grade (eg. SD001: 9m @ 2.07 g/t gold)

A second phase, of five core holes (SD006-010) targeting the Spur-Dalcoath gold systems, was completed during the previous quarter. Details of the drilling were provided in the September Quarterly Report, and intercepts are summarised in Table 1.

Hole ID	Cutoff g/t Au	From (m)	To (m)	Length (m)	Gold g/t
SD006	NSI				
SD007	**0.3**	**7.0**	**20.0**	**13.0**	**0.39**
SD008	**0.3**	**46.0**	**53.0**	**7.0**	**2.13**
SD008	0.5	46.0	52.0	6.0	2.44
SD008	**0.3**	**61.0**	**77.0**	**16.0**	**0.43**
SD008	0.5	69.0	72.0	3.0	0.92
SD009	**0.3**	**112.0**	**162.0**	**50.0**	**0.48**
SD009	0.5	112.0	121.0	9.0	0.67
SD009	0.5	130.0	138.0	8.0	1.01
SD009	0.5	144.0	149.0	5.0	0.53
SD010	**0.3**	**85.0**	**171.0**	**86.0**	**1.56**
SD010	0.5	85.0	98.0	13.0	0.76
SD010	0.5	108.0	120.0	12.0	2.73
SD010	0.5	125.0	133.0	8.0	0.98
SD010	0.5	137.5	144.0	6.5	9.40
SD010	0.5	160.0	166.0	6.0	0.70
SD010	**0.3**	**177.0**	**200.0**	**27.0**	**0.49**
SD010	0.5	187.0	190.0	3.0	1.26
EXS001	**0.3**	**0.0**	**18.0**	**18.0**	**0.49**
EXS001	0.5	13.0	18.0	8.0	0.75
EXS001	**0.3**	**63.0**	**71.0**	**8.0**	**0.43**
EXS001	0.5	63.0	69.0	6.0	0.58
EXS002	0.3	32.0	45.0	13.0	0.27
EXS002	0.3	61.0	64.0	3.0	1.09

Table 1: Spur & Essex Intercepts: Current Drilling
(Mineralised zones in blue and internal 0.5 g/t Au cutoff intercepts in yellow)

SD010 was drilled to scissor the previous SD004 (55m zone grading 1.27 g/t gold). During the quarter assays were received for the remaining interval of the hole from 140-202 metres. The mineralisation extends further down hole to give a mineralised

zone of **86m grading 1.56 g/t gold**. The internal architecture at a 0.5 g/t cut-off is detailed in Table 1, and includes two high grade zones:-

12m @ 2.73 g/t gold from 108m

6.5m @ 9.40 g/t gold from 137.5m (incl 1m of 64.15 g/t gold)

A second mineralised zone further down-hole contains 23m grading 0.49 g/t gold with an internal intercept of 3m @ 1.26 g/t gold from 187m at a 0.5 g/t gold cut-off.

The hole extended the previous mineralisation in SD004 by 25m down-dip (Figure 10), and improved confidence in the orientation of the numerous high grade veins exceeding 1 g/t gold and the enclosing systems.

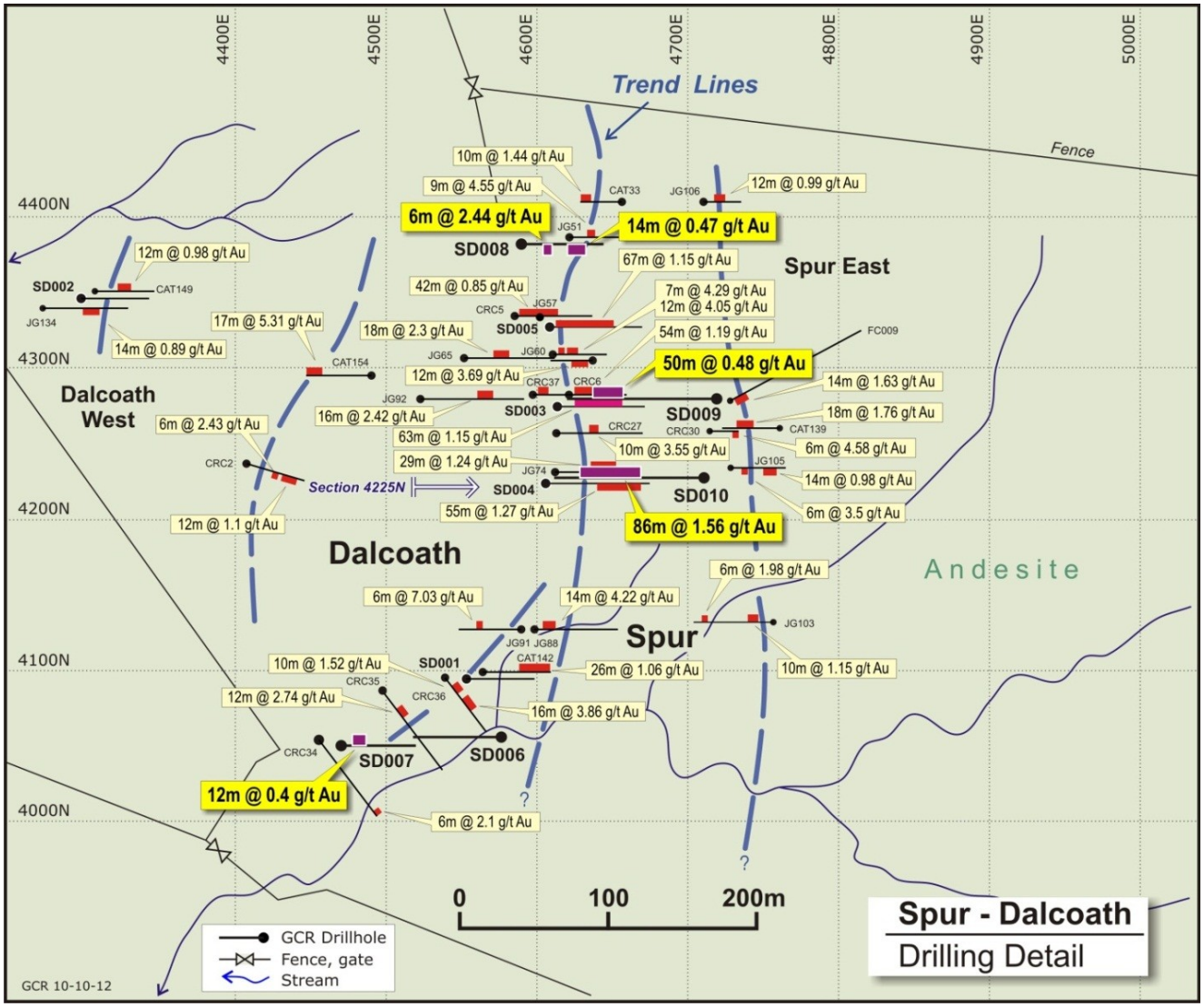


Figure 9: Spur-Dalcoath Drilling Detail
Historical Results showing location & results of recent GCR holes SD008-010

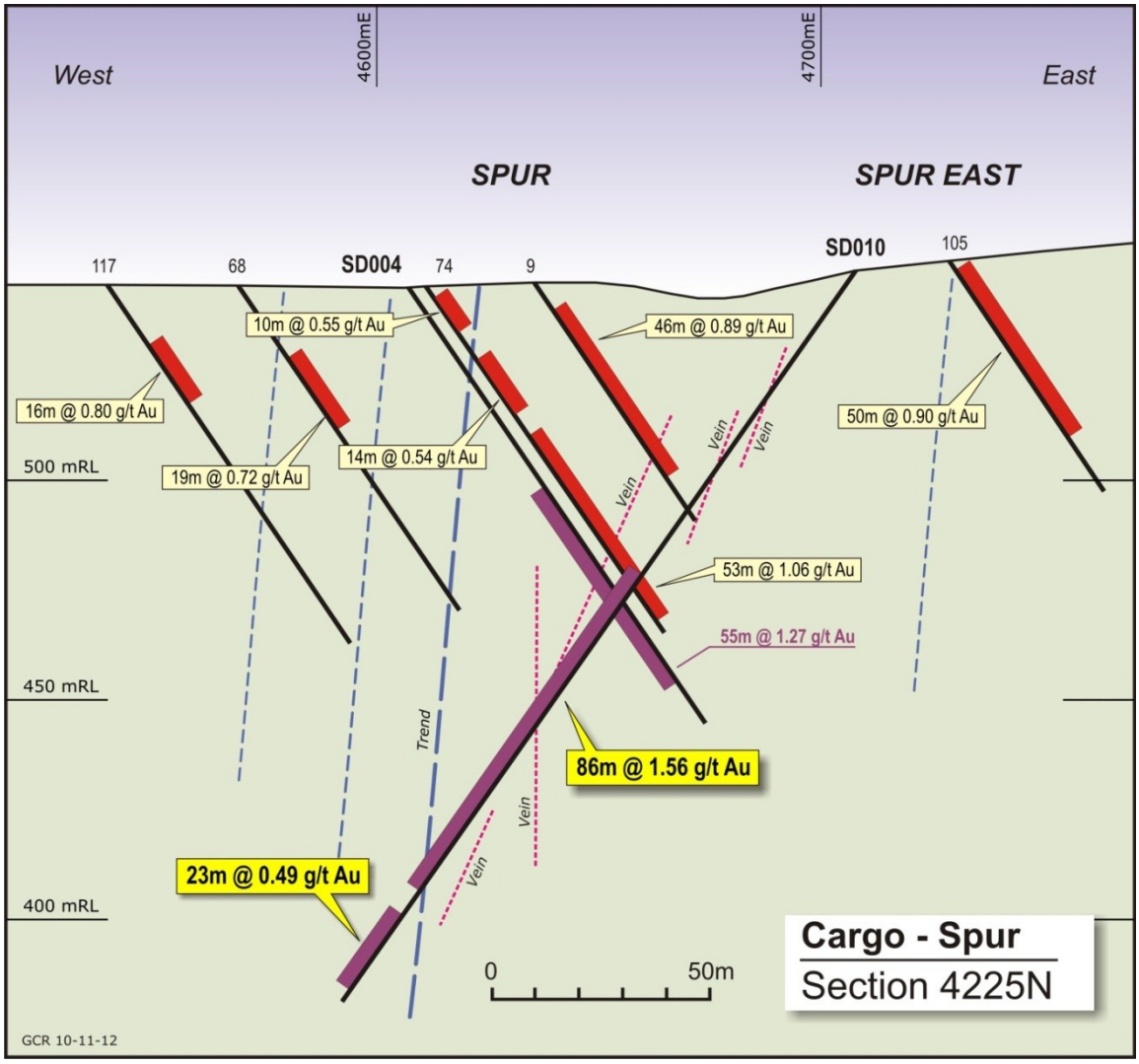


Figure 10: Spur-Section 4225N
Showing recent GCR hole SD010

Essex

Essex is another of up to 19 gold bearing quartz-sulphide lode systems radiating from the central Cargo Porphyry, where previous RC drilling returned best intersections of 9 metres at 5.63g/t gold, 6 metres at 9.53g/t gold, 2 metres at 24.16g/t gold and 14 metres at 4.12g/t gold.

Two holes (EXS001 & 002) totalling 239 metres) were completed at the Essex lode system during the quarter. Locations are shown on Figure 8. Assays outlined low grade zones in both holes [Table 1] and their correlation with surrounding historic holes is being examined.

Ongoing evaluation at Cargo

Metallurgical test-work continues at Metcon on selected core from the previous program. Test work is focusing on the potential to recover gold by gravity methods and then via cyanide leaching of sulphide concentrate. If the latter process proves viable, there is potential to have Cargo sulphide concentrate treated at one of two nearby licensed facilities near Parkes and Condobolin, also in central New South Wales.

The current drilling results will not materially change the existing Inferred Resource estimates at Spur-Dalcoath of:

- **10.4 million tonnes at 0.84g/t gold for 283,000 ounces of contained gold** using a 0.5g/t gold cut-off grade.
- At a higher cut-off grade of 0.8g/t gold, the Inferred Resource is estimated at **4 million tonnes at 1.19g/t gold containing 154,000 ounces of gold.**

Further drilling is under consideration to provide geological data for resource modelling, upgrading of resources on the remaining lodes to JORC compliance, and to test strike and down-dip extensions.

Cobar Region: Rast - Gilgunnia

Final data has been processed from the HeliTEM survey undertaken by Fugro Airborne Surveys from the Four Mile South – Delaney's, Burthong, Guapa and Kilparney survey areas within GCR's Rast Group of tenements near Gilgunnia, central NSW. Golden Cross flew 305 line kilometres of HeliTEM over selected areas in conjunction with a larger survey by Joint Venture partner MMG, where several significant EM anomalies were located on both the Gilgunnia Range JV and the Wagga Tank JV tenements. See figures and details below. HeliTEM features within the Rast tenements were followed up with ground EM but no encouraging anomalies were detected.

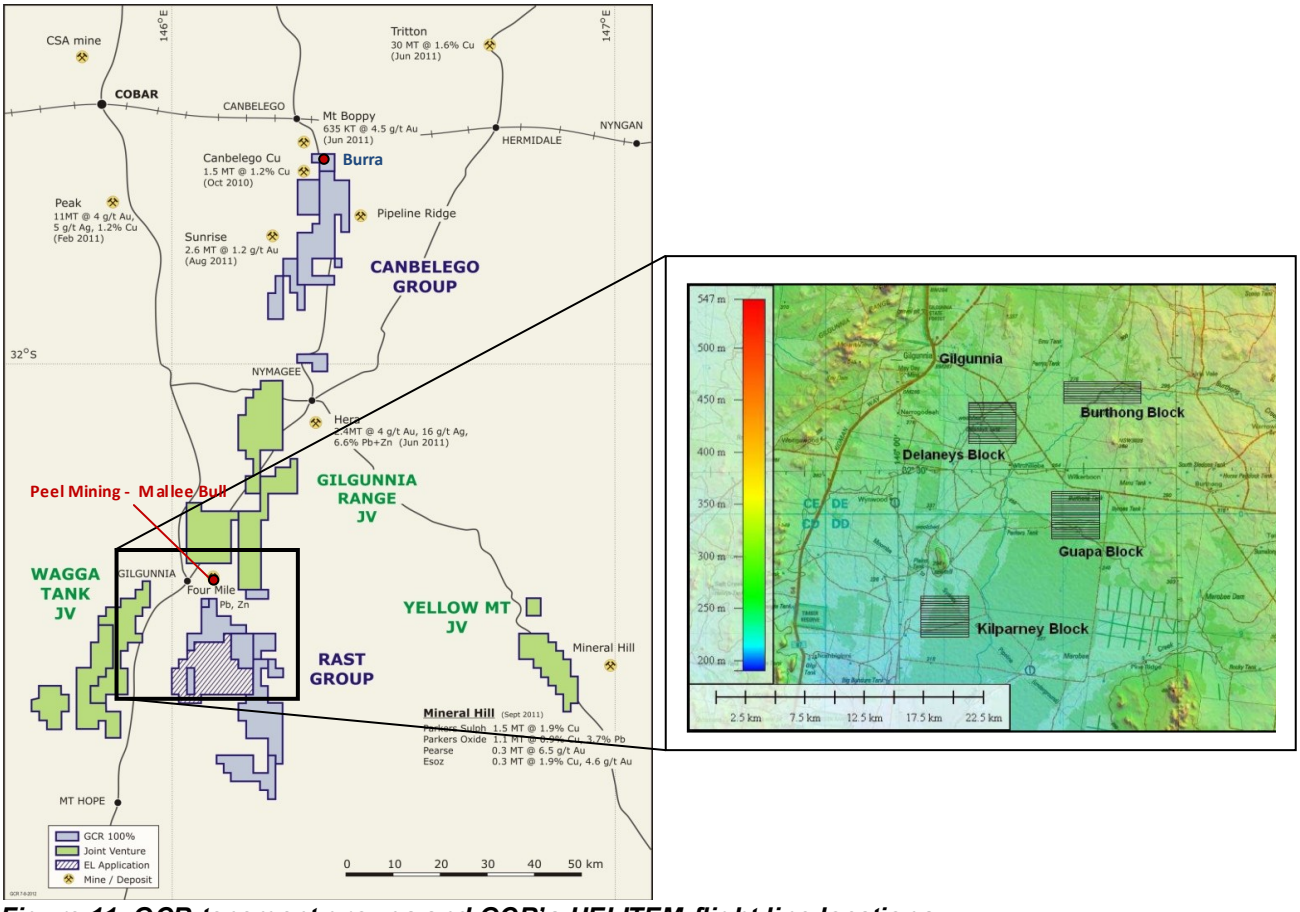


Figure 11. GCR tenement groups and GCR's HELITEM flight line locations

Recent exploration successes with EM techniques at prospects in the Nymagee-Gilgunnia–Mount Hope region underpinned its deployment in the Nymagee Region.

Airborne and down-hole EM was instrumental in the discovery of the Mallee Bull polymetallic deposit located 5 kilometres north of GCR's tenements.

In-house and external processing of the data identified eight anomalous features in the GCR data for ground follow-up by geophysical contractors, Fender Geophysics. In addition JV partner MMG Ltd geophysicists identified seven features for follow-up. The locations are shown in Figure 12 below.

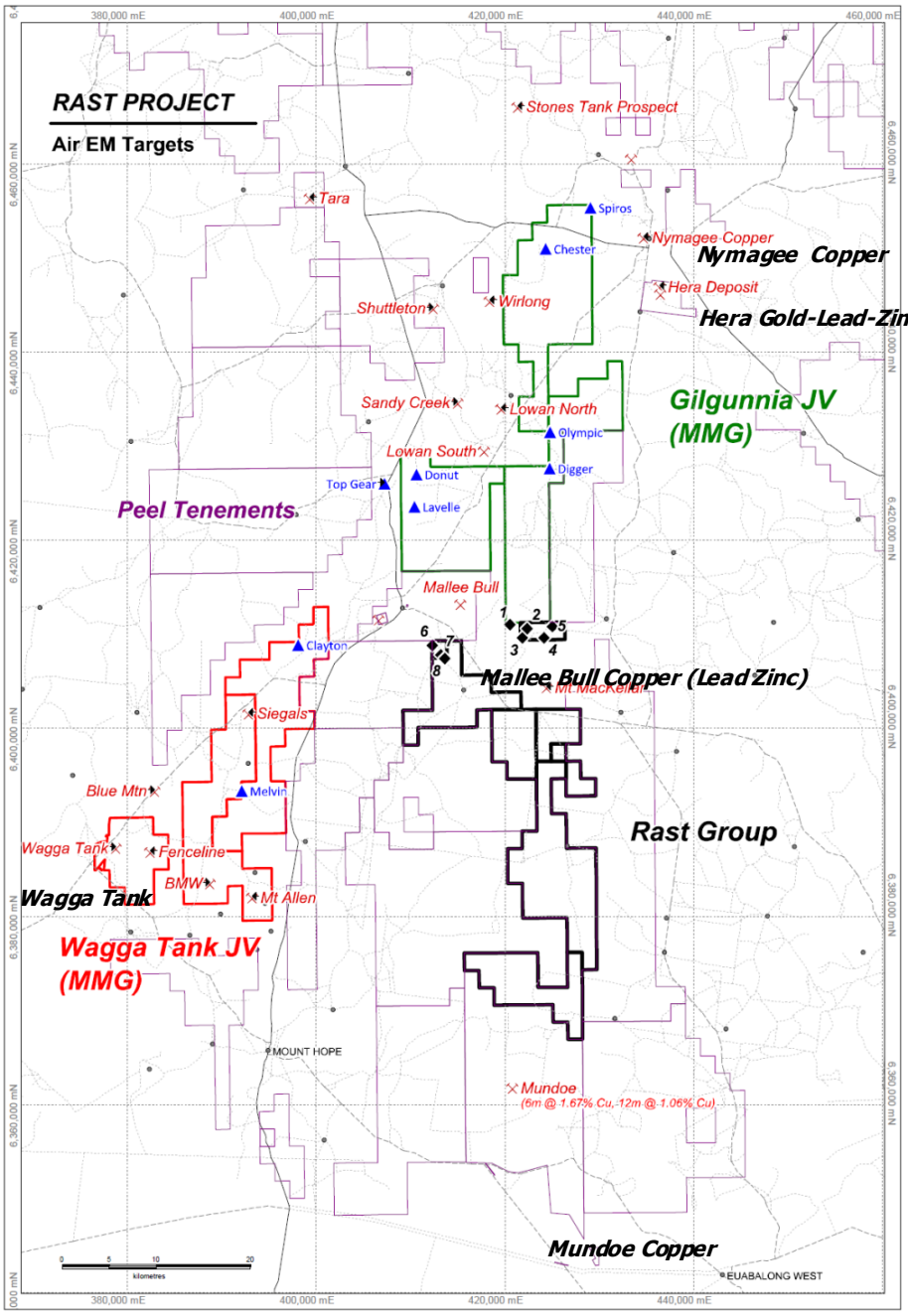


Figure 12. Geophysical Targets [GCR-AEM – black diamonds; MMG AEM/Magnetic – blue triangles]

Evaluation of ground EM data over the GCR features led to the conclusion that the responses were due to surficial causes; either cultural effects or conductive overburden.

No further evaluation of the GCR anomalies is proposed.

Following ground reconnaissance of the MMG geophysical features, several appear prospective for further exploration. Initial drilling of three holes for 800 metres was undertaken at Digger, a magnetic anomaly with coincident chargeable IP and geochemical anomalism, and at the Melvin EM anomaly in the Wagga Tank joint venture. No economic mineralisation was intersected.

It is worth noting, given the success achieved by deep drilling at Mallee Bull by Peel Mining and at Nymagee by YTC Resources, that the Wagga Tank deposit, within the Wagga Tank JV with MMG, has previously reported drill intersections which could justify deeper, follow-up drilling.

Selected historic Wagga Tank drill intersections:

***15.4m @ 133g/t Ag**, 0.4% Cu, **4.5% Pb, 12.5% Zn** from 140.10m*

***3m** @ 57g/t Ag, 0.53%Cu, **2.7% Pb, 13.2% Zn**, 0.33 g/t Au from 278.45m*

***5.3m @ 116g/t Ag, 9.4% Cu**, 0.78% Pb from 119.75m*

***7.5m** @ 99g/t Ag, 0.17% Cu, **7.3% Pb, 18.0% Zn** from 215.60m*

Compliance Statement:

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 styles of mineralisation and types 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". Mr Stanton-Cook consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Samples for assay were obtained from half sawn PQ (85 mm diameter] and HQ (63.5 mm diameter) drill core. Standards and blanks were inserted into the sample stream at the beginning and end of a sample stream and at approximately 60m intervals.

Analyses were undertaken at ALS Orange using 50g Fire Assay (Method AA26) for gold and ICP41 for copper and a suite of other elements. Routine internal laboratory standards and repeats were also undertaken.

Mineralised zone intercepts have been calculated using a 0.3 g/t gold cut-off with maximum internal dilution of 5 metres. Economic intercept parameters are 0.5 g/t gold cutoff and maximum internal dilution of 2m.

No top-cut has been applied to the single sample > 20 g/t gold (168 g/t over 0.5m), but length weighted averages have been used to reduce the influence of thin high grade zones where visual logging suggested they may occur.

Corporate Directory

Board of Directors

Steve Gemell Chairman
Kim Stanton-Cook Managing Director
Li Xiaoming Non-Executive Director
Jingmin Qian Non-Executive Director
Suzanne Qiu Non-Executive Director
Li Yan Alternate Director for Mr Li

Company Secretary
Simon Lennon

Exploration Manager
Bret Ferris

Issued Share Capital

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

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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. GCR has many high quality projects across Australia as well as prospective joint ventures funded and managed by GCR's partners. (Figure 13)

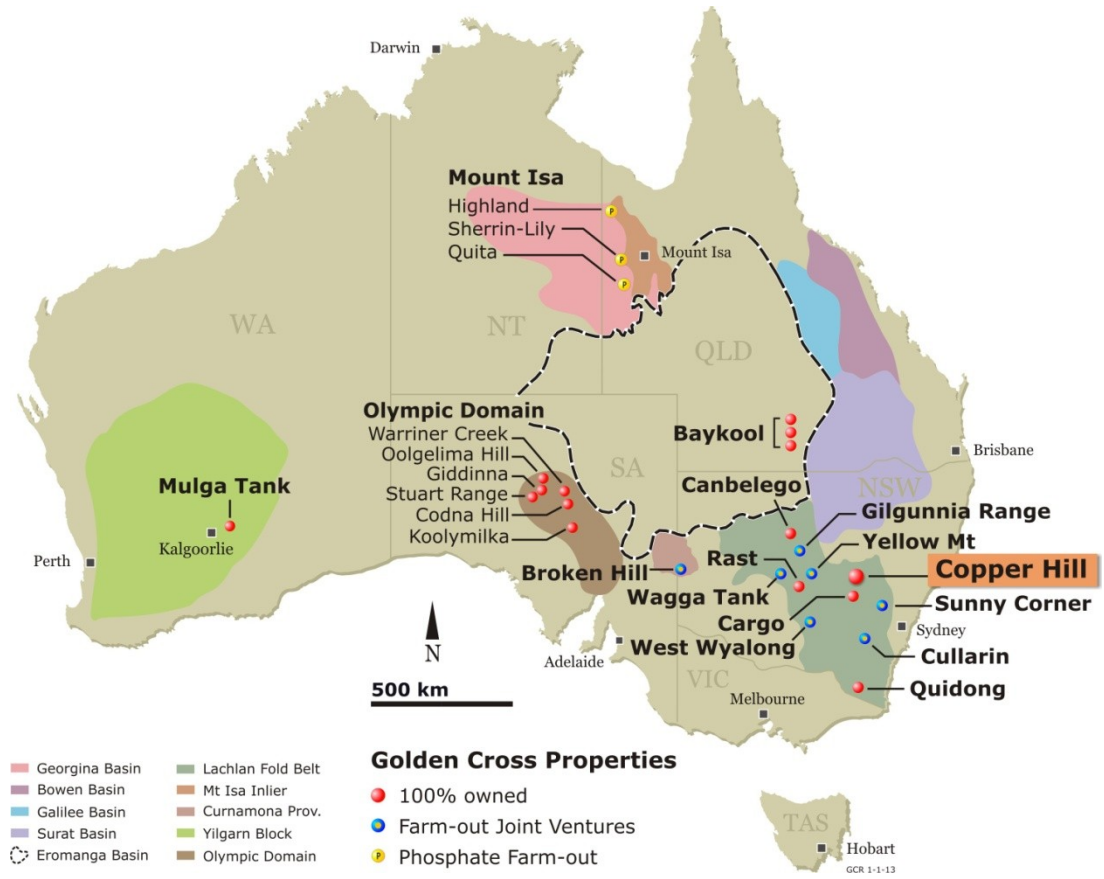

Figure 13. GCR's Australian Project Locations