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ASX ANNOUNCEMENT

Drilling to commence at Sunny Corner

In June 2003 GCR announced it had identified a broad zone of deformation and shearing associated with hydrothermal alteration and mineralisation encompassing the old mine at Sunny Corner, NSW. The shear zone is over 600m wide and 2 km long and the old mine lies in the centre, extending over an area of only 200m by 100m. The original ore body was disc-shaped, with a gentle dip to the west and a southerly plunge. Initial rock chip sampling by GCR identified highly anomalous gold, silver, lead and zinc around the original ore zone and within rocks in close proximity to individual faults within the shear zone.

In his comments on the work GCR's Managing Director, David Timms, said

> "We are highly encouraged by the results of our preliminary work and want to move quickly to drill evaluation. Over the next two months the company will undertake detailed geochemical sampling and geophysical surveys in order to accurately delineate drill targets with a view to drilling before the end of this year."

Since June, GCR has completed a systematic soil and rock chip geochemical sampling programme in conjunction with ground magnetic surveys. Investigations of Mines Department records suggest this is the first geochemical survey of its type at Sunny Corner despite a history of mining, and modern mineral exploration since the 1970s. Soil samples delineated a strong gold-silver-lead anomaly 600m long and 100m to 200m wide. Within that zone, continuous rock chip sampling returned values of up to 27.9 g/t gold and 1,270 g/t silver over a sample interval of 4.5m.

Continuous rock chip samples were collected from outcrops over intervals of between 1m – 4m. These augment grab samples already collected. Weighted average composites were calculated up to sample widths of 14m. Significant results are tabulated below.

No.of Samples	Location		Total Length (m)	Gold (g/t) (Average)	Silver (g/t) (Average)
	AMG East	AMG North			
1	769071	6302965	4.5	27.9	1,270
3	769253	6302466	8	6.40, 6.49*	87
1	769134	6302963	2.5	1.62	82
2	769303	6302825	5	5.14	114
3	769265	6302841	12	0.96	16
1	769262	6302856	4	1.03	57
1	769197	6302830	3.1	3.57	220
1	769190	6302785	2	2.76	227
1	769137	6302965	2	5.38, 2.55*	13
1	769136	6302962	1.3	2.62	132

* Re-assay

Best results were returned from breccias that outcrop beneath exposed ore zones in the old open cut mine, and from silicified shear zones that crosscut ore horizons. The latter were previously

identified by GCR as potential hosts to gold and silver mineralisation. Broad widths of lower grade mineralisation were also encountered surrounding high grade zones.

A soil geochemical survey was undertaken in conjunction with rock chip sampling. It covered an area 600m wide and 1,200m long and was specifically designed to test for continuations of mineralisation south of the old mine. Only one line of sampling was undertaken to the north (100m north of the old mine; Figure 1).

Results predictably show a strong gold-silver-lead anomaly over the strike of the old mine for some 200m, with values of over 4g/t gold recorded in soils. The anomaly then extends south for another 400m where it abruptly swings to the southeast along an interpreted block fault boundary. In the southeastern corner of the survey area the anomaly re-appears, predominantly on the south side of the fault, and continues southward. This is interpreted to be the continuation of the ore horizon and presents an excellent untested drill target in a similar geological setting to the old mine.

One hundred metres north of the old mine, one east-west line of soil samples returned a zone 200m wide, of highly anomalous values in numerous elements, with gold averaging 0.32 g/t. This line covered highly silicified footwall volcanic rocks that previous sampling by GCR and historic data show are anomalous in gold and silver, especially around shear zones. Alternatively this anomalism might result from soil contamination by historic smelters located in the valley below. GCR intends to investigate this possibility further with more detailed soil and rock chip surveys. If the anomalism is real, that is, in response to gold and silver-bearing bedrock, rather than contamination, it represents an unrecognized gold-silver target in highly altered footwall rocks, not previously tested by drilling.

GCR has received Mines Department approval to conduct 1,000m of RC drilling in approximately 12 holes, scheduled to begin in September or October. These will test targets in and around the old mine and the southern soil anomalies.

Sunny Corner was Australia's richest silver mine until Broken Hill was discovered. The Sunny Corner Mining District produced approximately 3.5 million ounces of silver and 140,000 ounces of gold. Silver grades were exceptionally high, ranging from 600 g/t to 2,100 g/t. Grades of oxide ore mined reportedly averaged 1,000 g/t silver, 10% copper, 20% zinc, 10% lead and 10 g/t gold. A further 250,000 tons of massive sulphide ore mined averaged 800 g/t silver, 2% copper, 14% zinc, 14% lead and 4 g/t gold.

This report was prepared by David Timms, full time employee of Golden Cross Resources Ltd, who is a Fellow of the AIG and AusIMM and has more than five years experience in the field of activity in which he is reporting.

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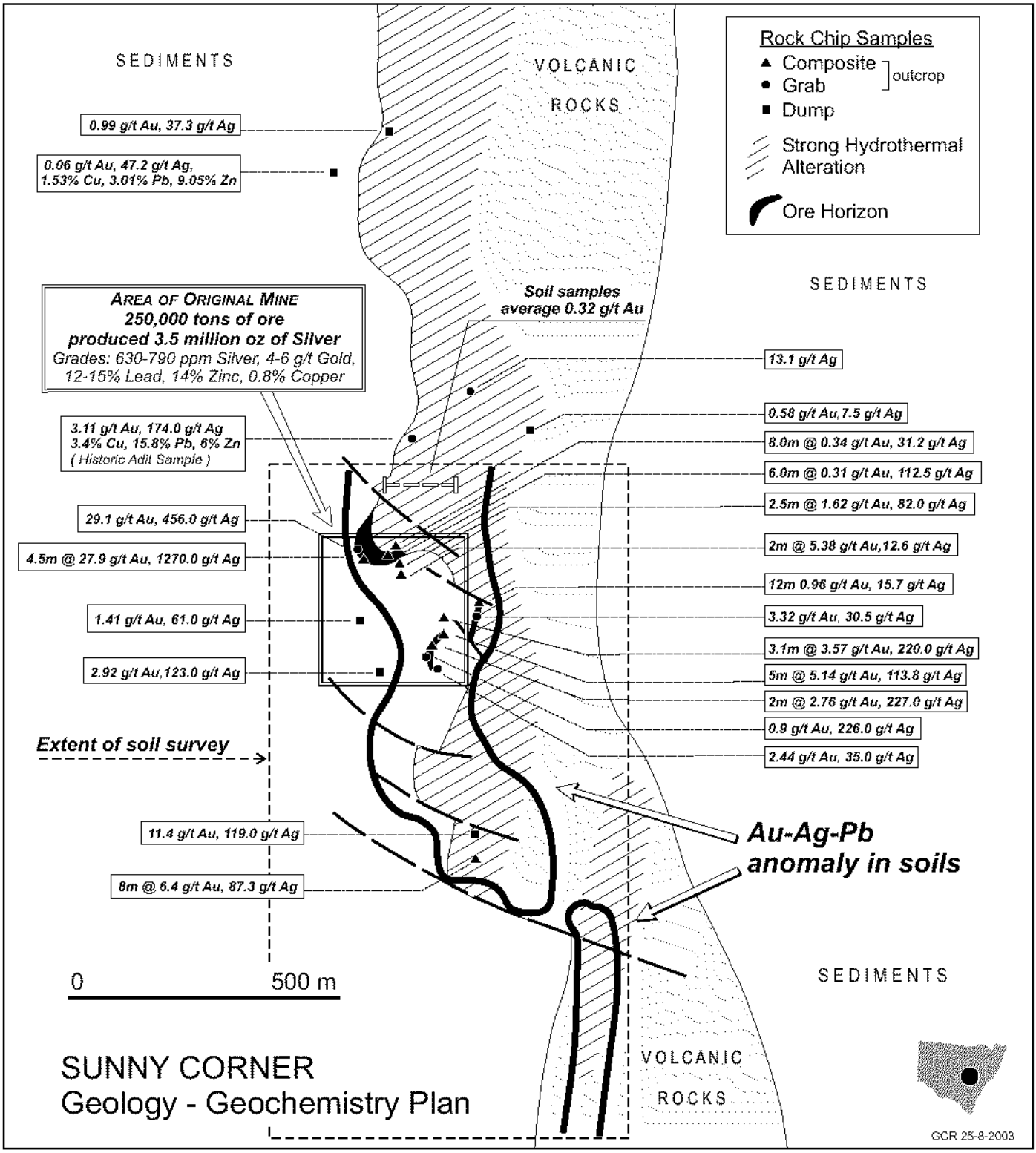
SEDIMENTS
VOLCANIC ROCKS
Rock Chip Samples
Composite
Grab
Dump
outcrop
Strong Hydrothermal Alteration
Ore Horizon
0.99 g/t Au, 37.3 g/t Ag
0.06 g/t Au, 47.2 g/t Ag, 1.53% Cu, 3.01% Pb, 9.05% Zn
AREA OF ORIGINAL MINE
250,000 tons of ore
produced 3.5 million oz of Silver
Grades: 630-790 ppm Silver, 4-6 g/t Gold, 12-15% Lead, 14% Zinc, 0.8% Copper
Soil samples average 0.32 g/t Au
SEDIMENTS
13.1 g/t Ag
0.58 g/t Au,7.5 g/t Ag
3.11 g/t Au, 174.0 g/t Ag
3.4% Cu, 15.8% Pb, 6% Zn
(Historic Adit Sample)
8.0m @ 0.34 g/t Au, 31.2 g/t Ag
6.0m @ 0.31 g/t Au, 112.5 g/t Ag
29.1 g/t Au, 456.0 g/t Ag
2.5m @ 1.62 g/t Au, 82.0 g/t Ag
4.5m @ 27.9 g/t Au, 1270.0 g/t Ag
2m @ 5.38 g/t Au,12.6 g/t Ag
12m 0.96 g/t Au, 15.7 g/t Ag
1.41 g/t Au, 61.0 g/t Ag
3.32 g/t Au, 30.5 g/t Ag
3.1m @ 3.57 g/t Au, 220.0 g/t Ag
2.92 g/t Au,123.0 g/t Ag
5m @ 5.14 g/t Au, 113.8 g/t Ag
2m @ 2.76 g/t Au, 227.0 g/t Ag
0.9 g/t Au, 226.0 g/t Ag
Extent of soil survey
2.44 g/t Au, 35.0 g/t Ag
Au-Ag-Pb anomaly in soils
11.4 g/t Au, 119.0 g/t Ag
8m @ 6.4 g/t Au, 87.3 g/t Ag
0
500 m
SEDIMENTS
VOLCANIC ROCKS
SUNNY CORNER
Geology - Geochemistry Plan
GCR 25-8-2003