GOLDEN CROSS RESOURCES LTD

annual report 2003

...exploring New South Wales

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CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder

After nearly six months as chairman of Golden Cross Resources Ltd I feel that I now know and understand the company's exploration property portfolio and the prospects it offers well enough to convey to all shareholders a real sense of excitement for the coming year.

Every property in our portfolio has good prospects for an economic minerals discovery. Four properties stand out at this time:

- Sunny Corner - on what we know at the date of writing, we have good reasons to be optimistic for a favourable outcome from further exploration and drilling.
- Broken Hill - our farm-in with Sipa Resources International NL and Gravity Capital Limited offers the prospect of participating in a large discovery.
- McPhails - the drilling by Alkane Exploration Ltd in recent months provides encouraging evidence that the Wyoming discovery trends south into the tenement in which we hold a royalty interest and further south where we hold the ground in our own right.
- Canbelego - the outlook is good for a cash flow from exploration conducted by our farm-in partner Polymetals Pty Ltd.

In addition, at Adelong, the re-working of the feasibility study has renewed our belief that this property can be developed successfully with an attractive return on funds invested and an excellent outlook for regional exploration enhancing the available resources.

The other properties held by the company all also have merit and each contributes in its own way to the company's future.

I believe that it is not sufficient just to have good properties and prospects, important though that is. The communication with both the shareholders and the market generally is also important, because the fact of life is that unless and until the company has access to internally generated cash flow, it must seek additional equity capital from time to time.

It is in the area of investor relations that I have focussed my attention as chairman and over recent months we have taken several new initiatives. I would like to mention three of these.

First, you will see that the annual report looks different. We have placed a map of New South Wales on the front cover to emphasise that is where the company's operations are exclusively conducted. We want to emphasise this for two reasons. One is that NSW offers wonderful opportunities for a minerals exploration company. There is a rich history of mining in the state and many old mining districts have not been explored in recent times the way they would have been were they in Western Australia. The other is that Sydney is Australia's largest centre of finance and commerce. Of course not all investors are familiar with minerals exploration and many have an aversion to the associated risks. Nevertheless, we believe that there are benefits in becoming better known to New South Wales investors.

Secondly, we have organised the inaugural "NSW Miners and Explorers Conference" to be held in October in both Sydney and Canberra at which 11 companies, including Golden Cross Resources, will present on their NSW activities. I would like to encourage our shareholders to attend. Details are available on our website. We would like this conference to become a regular event.

Thirdly, we have begun a comprehensive re-working of our website. Our aim is to provide shareholders and investors with meaningful information in relation to each of our properties, in addition to corporate information. We intend to update the website frequently as new information comes to hand. We invite shareholders to visit the site and provide feedback.

In conclusion, I want to assure shareholders that the board and management of the company are striving to deliver comprehensive increases in shareholder value by the application of capital and exploration expertise to our property portfolio. But we want to provide shareholders with more than that. Through our announcements to the ASX, our emails to shareholders who have provided us with their email address, our website and our conference we want shareholders to share with us the excitement of the excellent prospects for successful exploration provided by our property portfolio and our activities.

Yours faithfully

Christopher Ryan
Chairman

CORPORATE

Objectives

The Company's long-term objective is to participate in the discovery of one or more world class mineral deposits in NSW.

The short-term objective is to add value through exploration and development of mineral properties.

Value may be added through identifying and acquiring mineral properties in prospective locations, especially in old mining districts, generating drill targets through innovative modelling, delineating resources, entering into significant farm-in arrangements with other companies or developing projects through to the production stage to provide cash flow.

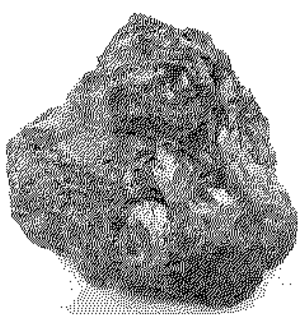
Strategic Alliance with Aur Resources

In December 1997 GCR formed a strategic alliance with Canadian gold and base metals miner Aur Resources Inc. through the issue of GCR shares and options in consideration of $720,000.

Under the alliance Aur's subsidiary Aurcay Holdings has, until 31 December 2007:

- the right of first offer over any properties GCR offers for farm-in or option; and
- the right to earn a 50% interest in GCR's interest in any mineral property and obtain operatorship (to the extent GCR or its subsidiary is entitled to operatorship), once a production decision has been made. This right applies where GCR's share of planned production exceeds 75,000 oz/year of gold or 35 million pounds of copper or copper equivalent. The right may be exercised by Aurcay arranging 100% of GCR's financing required to bring the property into commercial production.

Aur's right of first offer has, to date, not been exercised on any farm-ins or options entered into by GCR, as Aur concentrates on its activities in North and South America.



Gold & Silver-rich Gossan from Sunny Corner

FOCUS ON NSW

GCR continues to focus its activities on NSW where records have been set in gold production (at Newcrest's Cadia-Ridgeway Mine near Orange) and where gold discoveries continue to be made (for example, Alkane's Wyoming Project).

Four million dollars was spent exploring GCR properties during the year including $1.5 million spent by GCR, for a total of 10,000m of drilling. NSW has a rich history of gold and base metals production, and GCR has positioned itself within, or in close proximity to, a number of Australia's premier mineral provinces.

At Broken Hill, over $70 billion worth of metal has been mined from the rich silver-lead-zinc ore body since 1883. In a three-way joint venture with Sipa and Gravity Capital Limited, GCR properties are being assessed using cutting-edge airborne gravity technology. GCR properties, most of which lie within 25 km of the legendary Broken Hill line of lode, have potential to host a number of ore body styles and already there are strong indications of very high grade platinum group elements associated with nickel and copper sulphides.

Further to the east, in the Lachlan Fold Belt, GCR has focussed much of its attention on a major structural break known as the Gilmore Suture. Throughout its geological history, spanning some 450 million years, this large, complex fault and its splays have been a focus for gold mineralisation. A rough estimate of historically mined and in-ground resource material suggests an inventory in excess of 6 million ounces of gold. This includes the Cowal deposit, currently being developed by Barrick with resources in excess of 2.5 million ounces.

On the northern part of the Gilmore Suture, GCR holds a strategic position in the Cobar mining district where GCR's farm-in partner, Polymetals, is exploring for and hopes to develop epithermal gold resources at Canbelego. The Cobar district boasts historic production of over 2.5 million ounces of gold and has another 1 million ounces in mine resource inventories.

To the south, GCR has an exciting farm-in with Triako, adjacent to the Mineral Hill gold mine, where gold has been located in large granitic intrusions. This is known as the Yellow Mountain property where potential for discovery of porphyry copper-gold resources within a large magnetically anomalous area is considered to be high. Further south, GCR controls the historic West Wyalong Goldfield (historic production 450,000 ounces), which lies 30 km to the southwest of the Cowal Deposit. In the far south of the Gilmore Suture, GCR has an extensive land position around the

FOCUS ON NSW
cont...

historic Adelong Goldfield (historic production 0.8 million ounces). GCR is encouraged by recent metallurgical testwork, which suggests that gold recoveries from the wholly owned Challenger gold deposit may be in the order of 93% using a combination of gravity and flotation techniques.

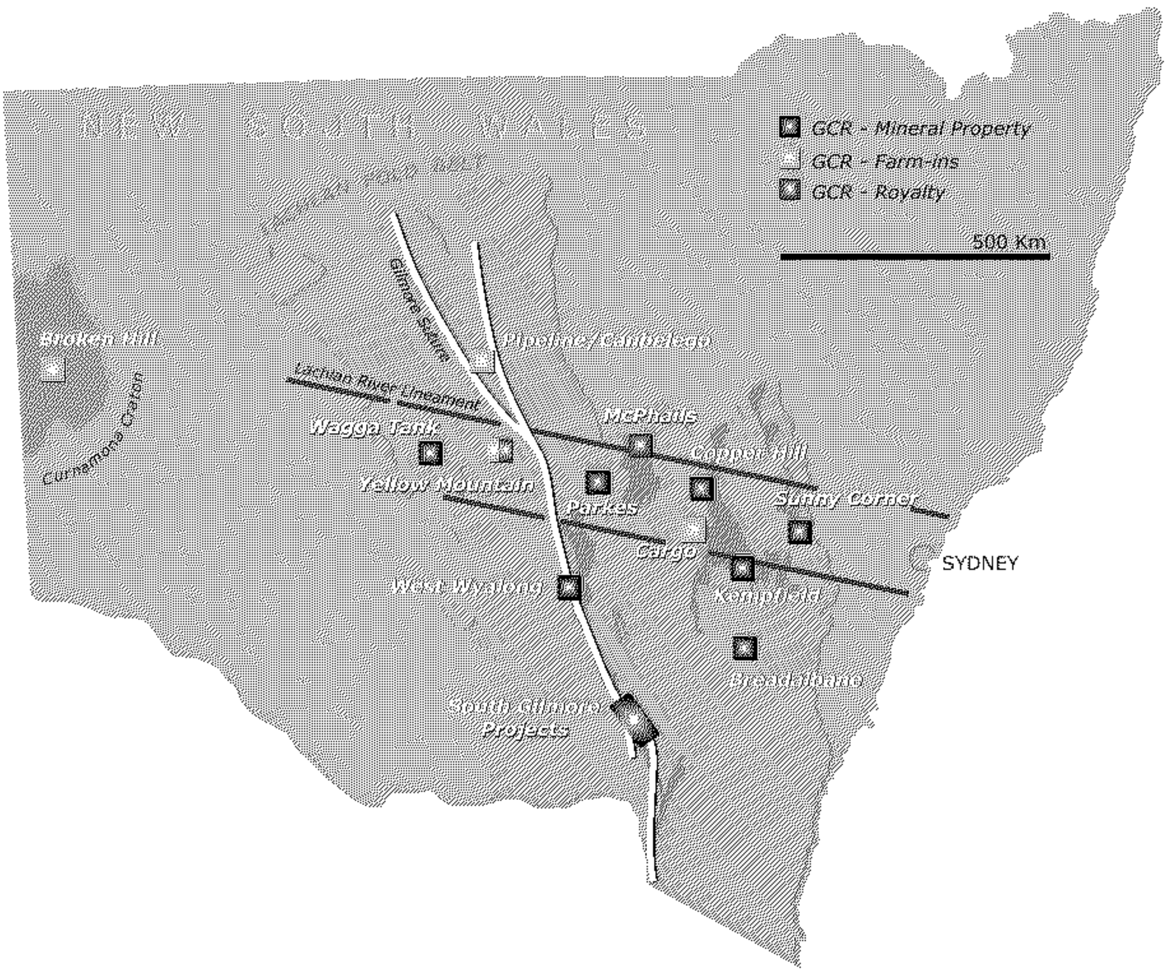
GCR has properties within the highly productive porphyry copper-gold belts of Parkes and Orange. Rocks and styles of mineralisation at the Copper Hill and Cargo properties strongly resemble and are of similar age to those at the large Cadia-Ridgeway deposit, which now has an inventory approaching 10 million ounces of gold. GCR also controls a large portion of the Tomingley-Parkes-Forbes Goldfield, which historically produced more than 1 million ounces of gold. A recent discovery by Alkane known as Wyoming One, in the northern part of this belt, straddles the boundary of a licence formerly held by GCR. GCR has a graduated royalty (up to 5% NSR) over this area and still controls the old McPhails workings immediately to the south, through a 90% interest.

Further to the east, still within the Lachlan Fold Belt, GCR has three licences located within sedimentary and volcanic rocks aged between 400 and 425 million years. These rock sequences are host to the important massive sulphide base metals resources at Woodlawn and Captains Flat.

In GCR's licences we see a number of important economic elements associated with base metals. For example, at Kempfield, GCR has defined resources containing silver (in excess of 11 million ounces) and the industrial mineral barite (approximately 2 million tonnes). At Breadalbane and Sunny Corner, significant gold and silver is associated with base metal sulphides. The new and exciting gold and silver results from geochemical surveys at Sunny Corner in particular, indicate that NSW has significant potential for "re-discovery" of new mineral deposits within old mining camps.

GCR will continue its focus on NSW, consolidating and augmenting its land position in high quality mineral belts, exploring for opportunities to achieve discovery of world class mineral deposits.

PROJECT LOCATIONS

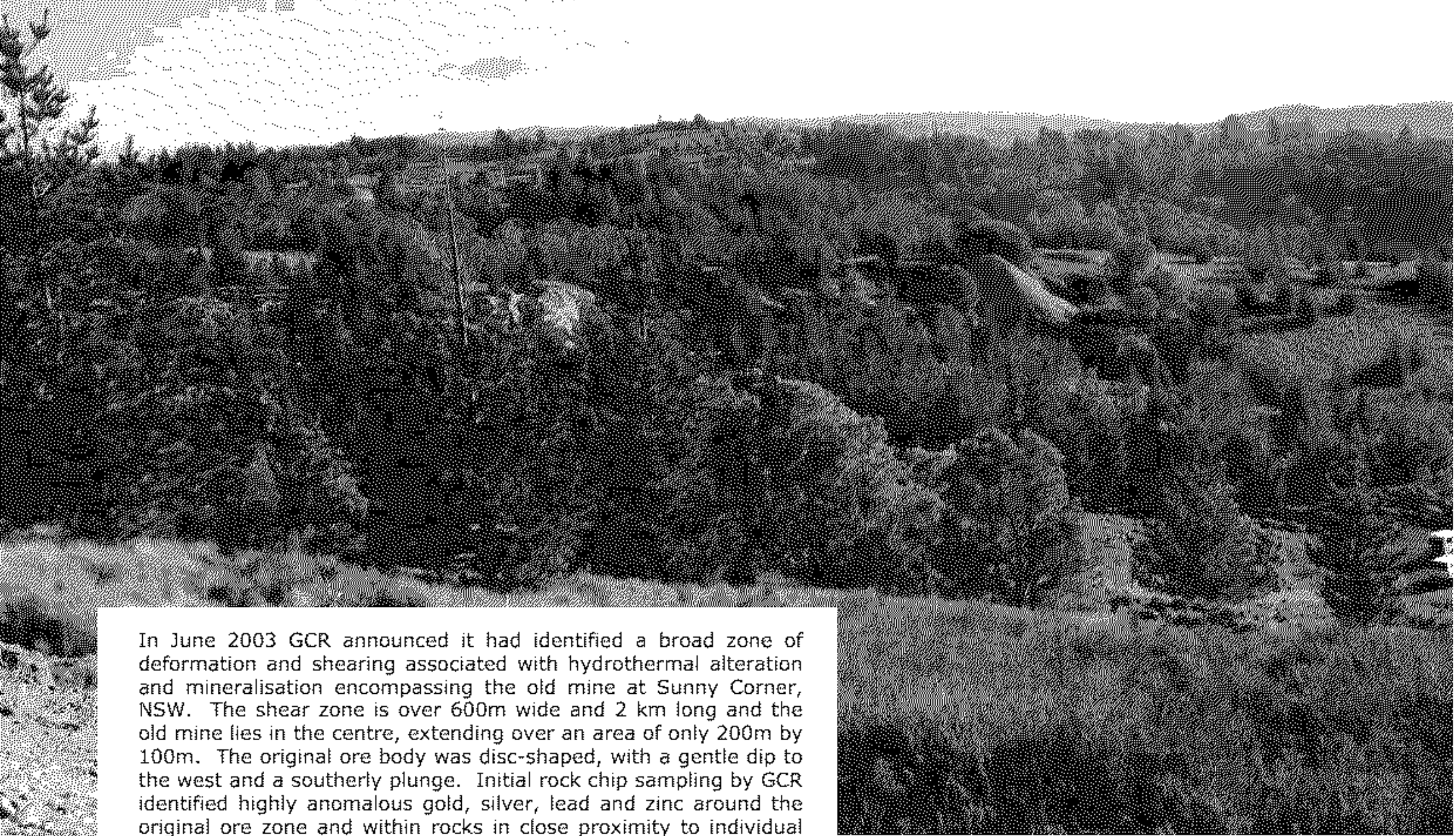


REVIEW OF EXPLORATION

PROPERTIES MANAGED BY GCR

SUNNY CORNER

(near Lithgow, NSW, 140 sq km, GCR 100%, gold, silver, lead, zinc)



Old Mine Area looking west

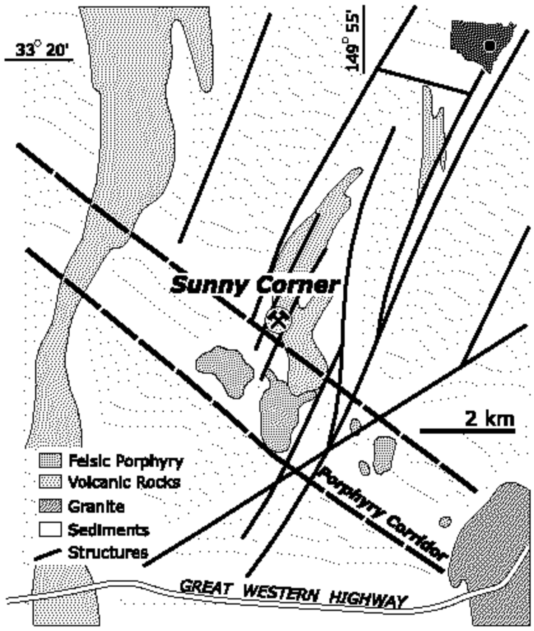
In June 2003 GCR announced it had identified a broad zone of deformation and shearing associated with hydrothermal alteration and mineralisation encompassing the old mine at Sunny Corner, NSW. The shear zone is over 600m wide and 2 km long and the old mine lies in the centre, extending over an area of 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.

Since the announcement, 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 was the first geochemical survey of its type despite a long history of mining, and modern mineral exploration since the 1970s. Soil samples delineated a strong gold-silver-lead anomaly over 600m long and 100 to 200m wide. Within that zone, rock chips have returned values of 27.9 g/t gold and 1,270 g/t silver over sample intervals of 4.5m.

Continuous rock chip samples were collected from outcrops over a variety of intervals from one to four metres. These augment grab samples already collected. Weight averaged composites were calculated up to sample widths of 14m. A number of the significant results are tabulated below.

No. of Samples	Centre Point Location AMG East (m)	AMG North (m)	Sample Length (m)	Gold (g/t)	Silver (g/t)
1	769071	6302965	4.5	27.9	1270
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



Locality Plan

Best grades were returned from breccias which outcrop beneath exposed ore zones in the old open cut mine, and from silicified shear zones which crosscut ore horizons. The latter were previously identified by GCR as potential hosts to gold and silver mineralisation. Samples collected from outcrops adjacent to higher grade samples returned broad widths of mineralisation over intervals of 8 to 14m in the range 0.2 to 1.0 g/t gold and 10 to 50 g/t silver.

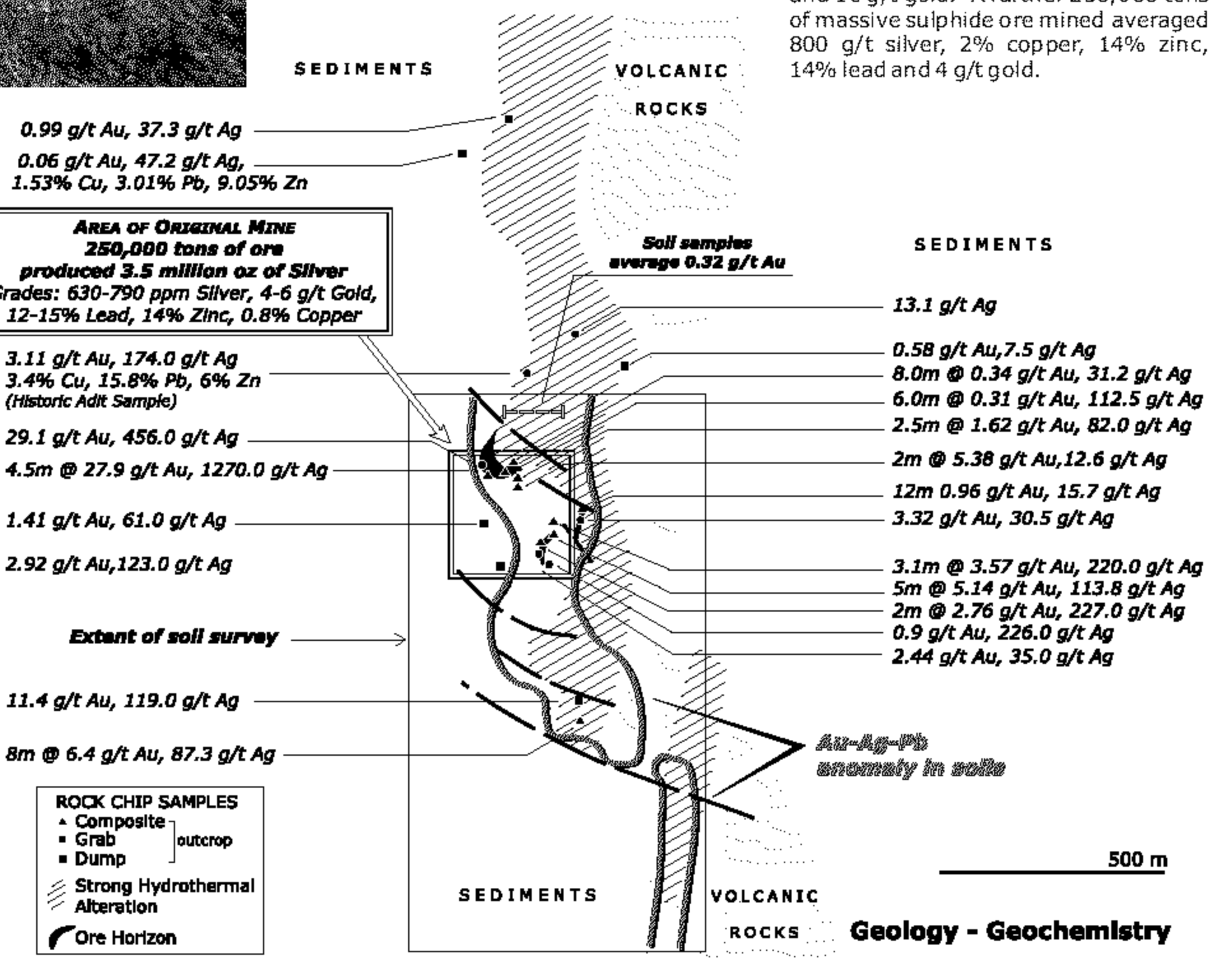
A soil geochemical survey was undertaken in conjunction with rock chip sampling. It covers an area 600m wide and 1,200m long and was specifically designed to test for continuations of mineralisation south of the old mine. Only one line of sampling was undertaken to the north (100m north of the old mine).

Results, predictably, show a strong gold-silver-lead anomaly over the strike of the old mine for some 200m, with values of over 4 g/t gold recorded. 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 to 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 covers highly silicified footwall volcanic rocks, which 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.

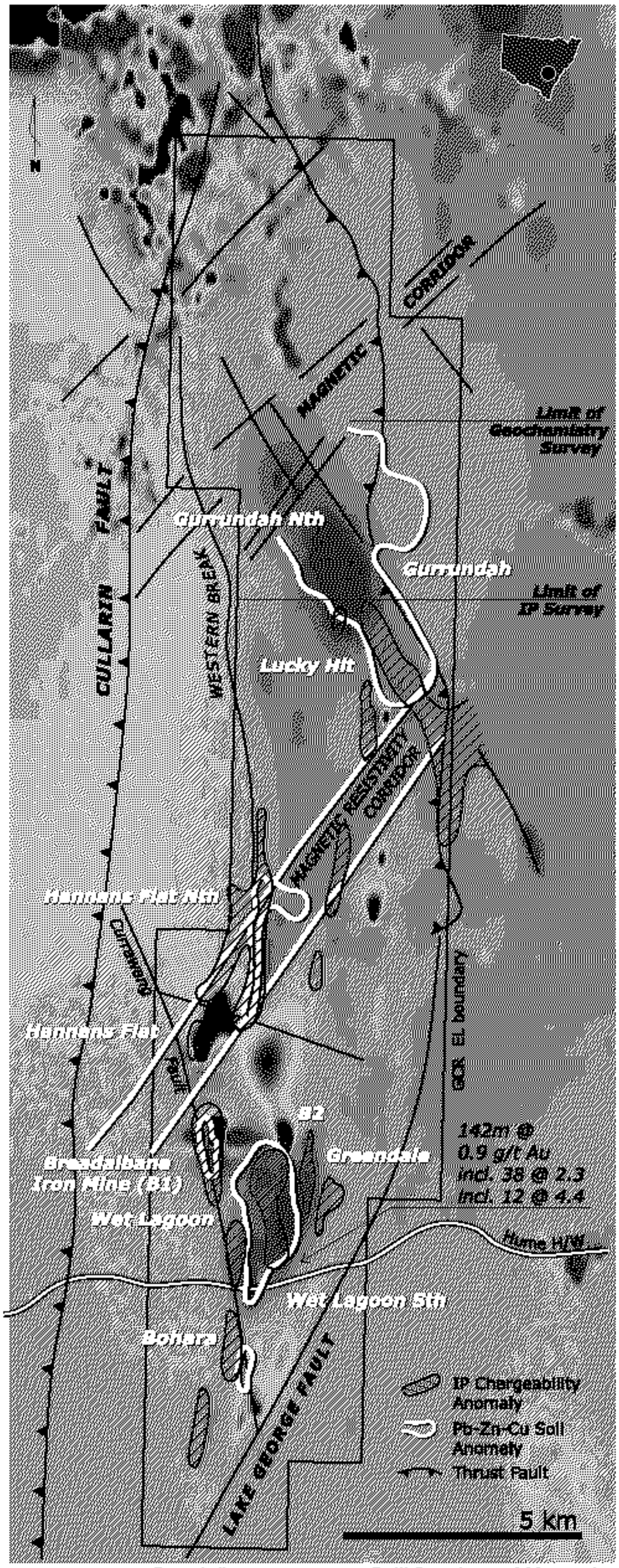
GCR has received Mines Department approval to conduct 1,000m of RC drilling in approximately 12 holes, scheduled to begin in September or October. These will test targets in and around the old mine and the southern soil anomalies.

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.



Geology - Geochemistry

BREADALBANE



Breadalbane prospects, Drill Results and Magnetics

(near Goulburn, NSW, 210 sq km, GCR 100%, gold and base metals)

The Breadalbane property has been the focus of intensive exploration since the discovery of the Woodlawn Deposit to the south in the 1960s. It has the potential to host base and precious metals deposits in skarn, porphyry and volcanogenic massive sulphide settings.

GCR has undertaken a comprehensive compilation and re-interpretation of old data dating back to the 1970s. Previous exploration includes over 250 line kilometres of induced polarisation geophysical surveys, 13,000 soil samples and 154 drill holes. Digital compilation has enabled modern imaging and inversion techniques to be applied and combined with recent geologic mapping and magnetic and radiometric geophysical surveys. This has led to the delineation of new, untested drill targets overlooked by previous explorers. For example, at least three untested anomalies, the Gurrundah North, Greendale and Hannans North prospects have been defined. Further surveys and drilling are required to assess these features.

In addition, two drill holes several years ago by a previous explorer, in the Wet Lagoon South prospect, over 60m apart, intersected 148m assaying 1.0 g/t gold, including 14.6m at 5.1 g/t gold, and 142m assaying 0.9 g/t gold, including 12m at 4.4 g/t gold, respectively.

GCR is waiting on the grant of a new licence over the area before it commences more detailed field work.

WEST WYALONG

(NSW, 230 sq km, GCR 100%, subject to 2.5% net smelter return to Barrick, gold and copper)

The focus of past exploration at West Wyalong has been on the Gilmore Suture structural zone containing significant gold deposits worked at the West Wyalong Goldfield in the late 1800s and early 1900s. Within the licence previous explorers have also identified porphyry copper-gold systems along the Gilmore Suture at Narragudgil and Yiddah North. In 2003, MIM completed approximately 50 line kilometres of MIMDAS geophysical surveys, defined a number of chargeability anomalies and completed 834m of RC drilling in five holes. The results were not encouraging, and in July 2003, with transfer of MIM ownership to XStrata, West Wyalong was returned to GCR.

GCR considers the western side of the structural zone to be poorly explored and will pursue a number of isolated, gold-anomalous, aircore holes drilled by GCR in 1998 which, to date, have received no follow-up attention. An example is Hole WWAC239, which returned 3m at 0.6 g/t gold from 30m, near the bottom of the hole in highly altered kaolinitic material. It is located in a discrete magnetic anomaly and the closest hole to this lies 650m to the north.

In addition to this, GCR also intends to explore a regionally significant coincident gravity and magnetic anomaly lying beneath the Pines prospect to the southeast of the historic goldfield. To date no satisfactory model has been proposed to explain this large (21 mgal) gravity anomaly, and no drilling has been undertaken to test it. GCR considers there is potential for discovery of significant copper-gold resources associated with dense mafic intrusions. Detailed geophysical and geological modelling has been initiated with a view to drilling targets in the next six months.

SOUTH GILMORE PROPERTIES

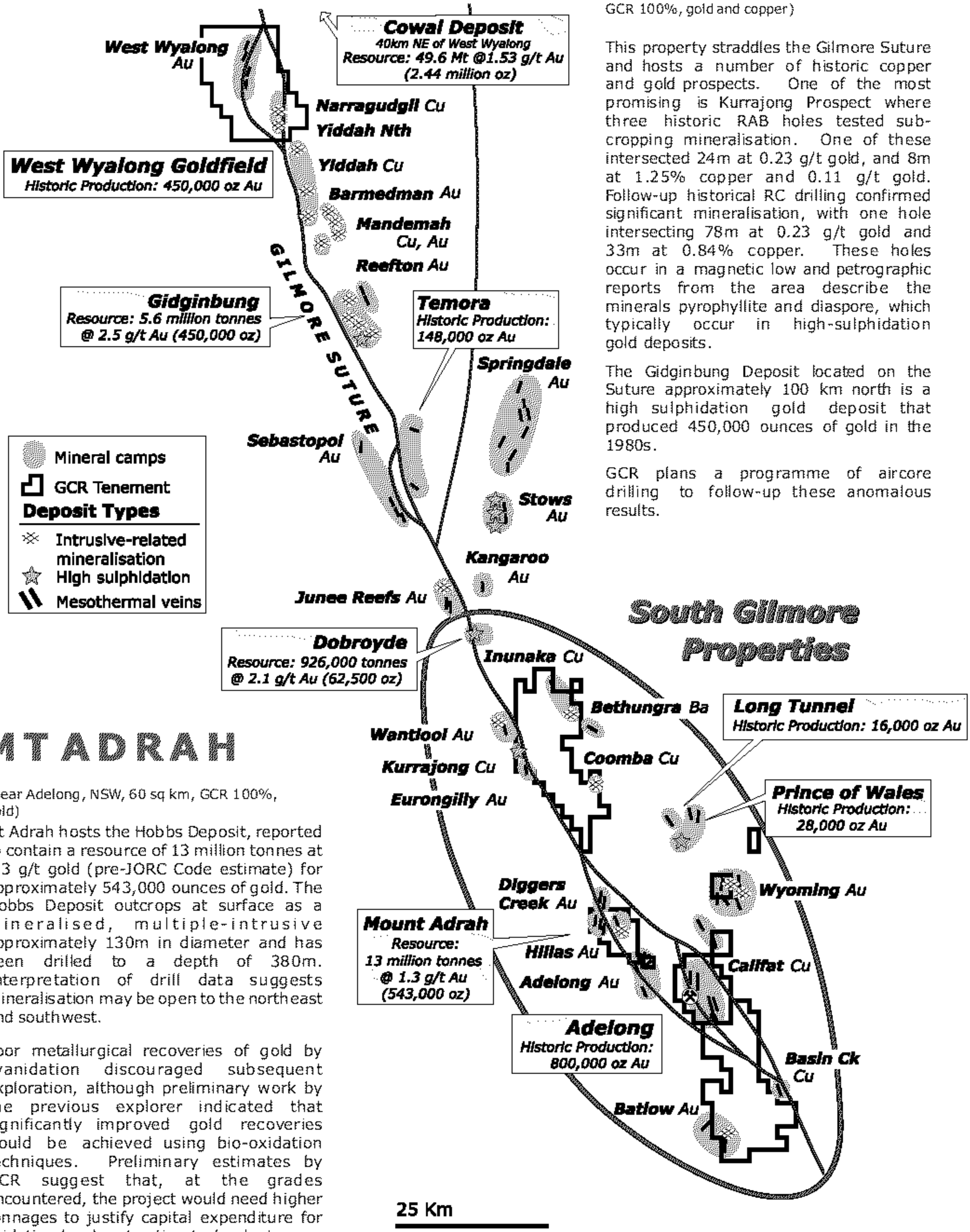
EURONGILLY

(northwest of Gundagai, NSW, 260 sq km, GCR 100%, gold and copper)

This property straddles the Gilmore Suture and hosts a number of historic copper and gold prospects. One of the most promising is Kurrajong Prospect where three historic RAB holes tested sub-cropping mineralisation. One of these intersected 24m at 0.23 g/t gold, and 8m at 1.25% copper and 0.11 g/t gold. Follow-up historical RC drilling confirmed significant mineralisation, with one hole intersecting 78m at 0.23 g/t gold and 33m at 0.84% copper. These holes occur in a magnetic low and petrographic reports from the area describe the minerals pyrophyllite and diaspore, which typically occur in high-sulphidation gold deposits.

The Gidginbung Deposit located on the Suture approximately 100 km north is a high sulphidation gold deposit that produced 450,000 ounces of gold in the 1980s.

GCR plans a programme of aircore drilling to follow-up these anomalous results.



MT ADRAH

(near Adelong, NSW, 60 sq km, GCR 100%, gold)

Mt Adrah hosts the Hobbs Deposit, reported to contain a resource of 13 million tonnes at 1.3 g/t gold (pre-JORC Code estimate) for approximately 543,000 ounces of gold. The Hobbs Deposit outcrops at surface as a mineralised, multiple-intrusive approximately 130m in diameter and has been drilled to a depth of 380m. Interpretation of drill data suggests mineralisation may be open to the northeast and southwest.

Poor metallurgical recoveries of gold by cyanidation discouraged subsequent exploration, although preliminary work by the previous explorer indicated that significantly improved gold recoveries would be achieved using bio-oxidation techniques. Preliminary estimates by GCR suggest that, at the grades encountered, the project would need higher tonnages to justify capital expenditure for oxidation leach extraction technologies.

To this end GCR has been exploring the district immediately around the resource.

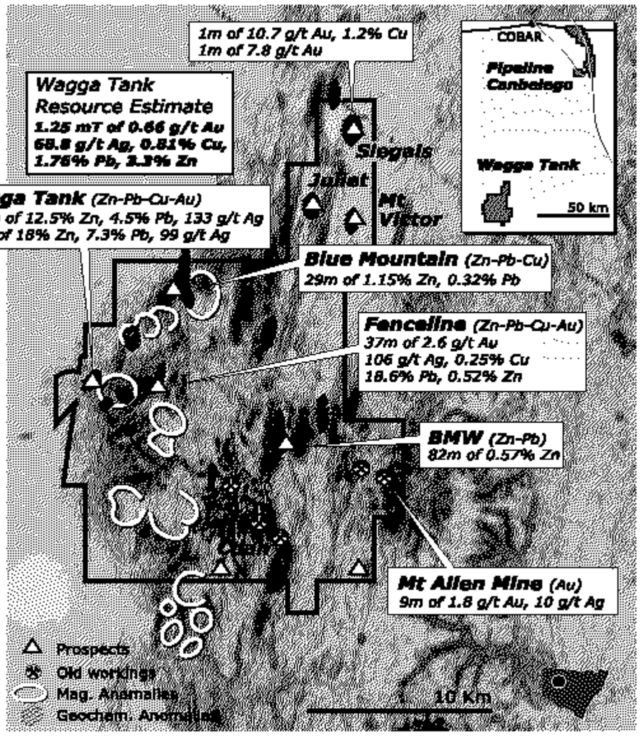
WAGGA TANK

(near Cobar, NSW, 330 sq km, GCR 100%, gold and base metals)

In July 2003 Pasminco notified GCR of its intention to withdraw from the farm-in. In its final phases of work Pasminco focussed on the Siegal's Prospect where drilling in 2002 produced positive results. Diamond drill hole PSDD1, targeting a magnetic anomaly, returned 1m at 10.7 g/t gold and 1.18% copper from 79m and 1m at 7.8 g/t gold from 87m. These intersections are regarded as highly significant because they occur within an altered, sulphide-bearing, high level, intrusion.

Pasminco conducted a review and remodelling of historic IP geophysical data in the Siegals area using new inversion software. This indicates potential zones of strong sulphide-bearing material in the southern part of the prospect, associated with a magnetic anomaly. The discovery of significant gold and copper at Seigal's Prospect in this unexpected geological setting provides encouragement for further exploration in the area.

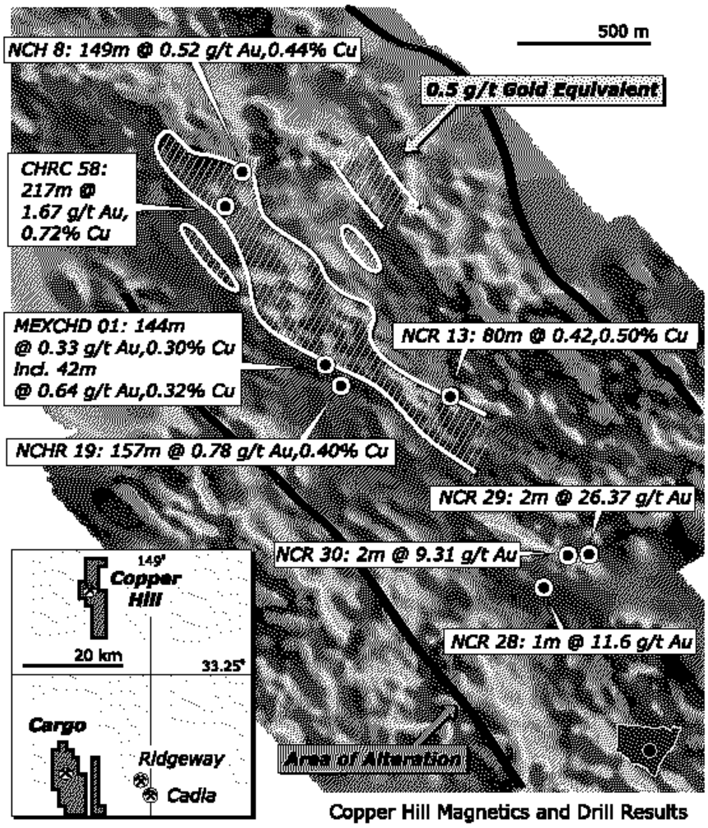
GCR intends to pursue this discovery in the coming months.



Wagga Tank Drill Results and Magnetics

COPPER HILL

(near Orange, NSW, 72 sq km, GCR 100%, gold, copper)



Copper Hill Magnetics and Drill Results

Copper Hill is believed to have been the first copper mine in NSW with sporadic production taking place from 1845 to 1931. From 1845 to 1851 a total of 3,300 tonnes of ore averaging 1.4% copper was mined from the enriched supergene zone. Gold was first recorded in 1851 when 14 tons were mined at an average grade of 6.12 g/t.

The property has been explored for the last 30 years as a porphyry copper-gold project.

A major turning point in the exploration history was the drilling of hole CHRC-58 by Cyprus Gold Australia in 1989. This vertical hole returned 217m at 1.67g/t gold and 0.72% copper. The mineralisation in this hole was contained in quartz-magnetite stockwork and sheeted vein sets characteristic of the gold-rich Philippines porphyry systems.

To date in excess of $6 million has been spent on the property using a wide range of exploration techniques including in excess of 150 drill holes that includes 10,000m of core drilling. A number of resources have been calculated by various companies but none has been sufficient to warrant development. The most recent farm-in partner, MIM, drilled two holes (GCR 2002 Annual Report), before withdrawing from the project in 2003.

The project has similar geological characteristics to the nearby Cadia-Ridgeway deposit. GCR plans to follow-up a number of untested coincident RAB and geophysical anomalies with RC drilling in the coming year.

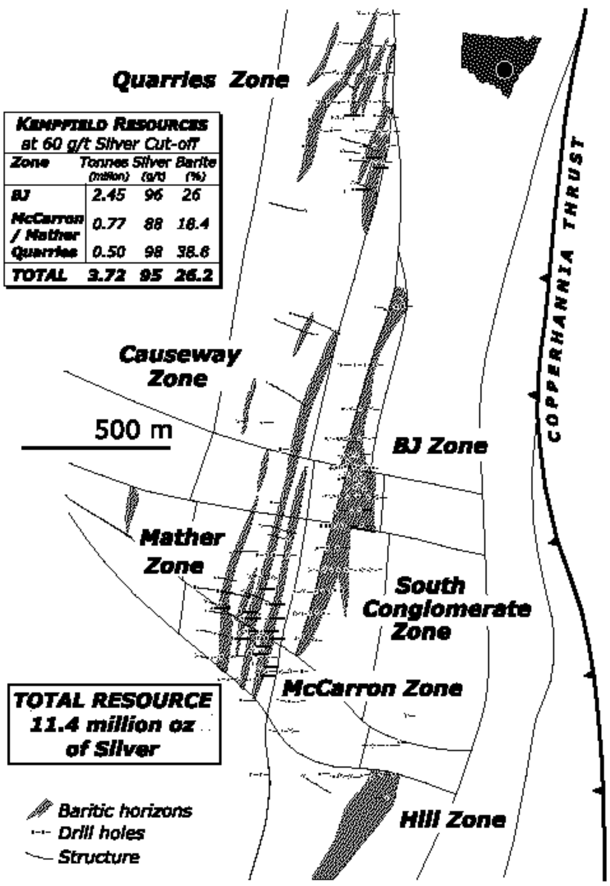
KEMPFIELD

(near Blayney, NSW, 120 sq km, GCR 100%, silver, barite, gold)

Kempfield hosts resources of silver and barite previously reported by GCR. These amount to 11.4 million ounces of silver at a 60 g/t silver cut-off averaging 95 g/t (GCR 2002 Annual Report) and over 2 million tonnes of barite at a $30 per tonne cut-off (GCR 2001 Annual Report). With the current low silver price and the limited Australian demand for barite the property remains uneconomic.

This year GCR investigated the distribution of higher grade material. In a recent drilling programme, hole GKF-115 intersected 2m at 1.15 g/t gold and 290 g/t silver at the bottom of the hole (64m downhole). The gold and silver content of this and other nearby intersections indicates that areas within the McCarron West Zone may host small resources of between 2 g/t and 6 g/t gold-equivalent. Intersections located on a drill section 25m to the north include 6m at 249 g/t silver and 1.24 g/t gold, plus 8m at 131 g/t silver and 0.4 g/t gold in hole GKF-038, and 6m at 243 g/t silver and 0.86 g/t gold in hole GKF-108.

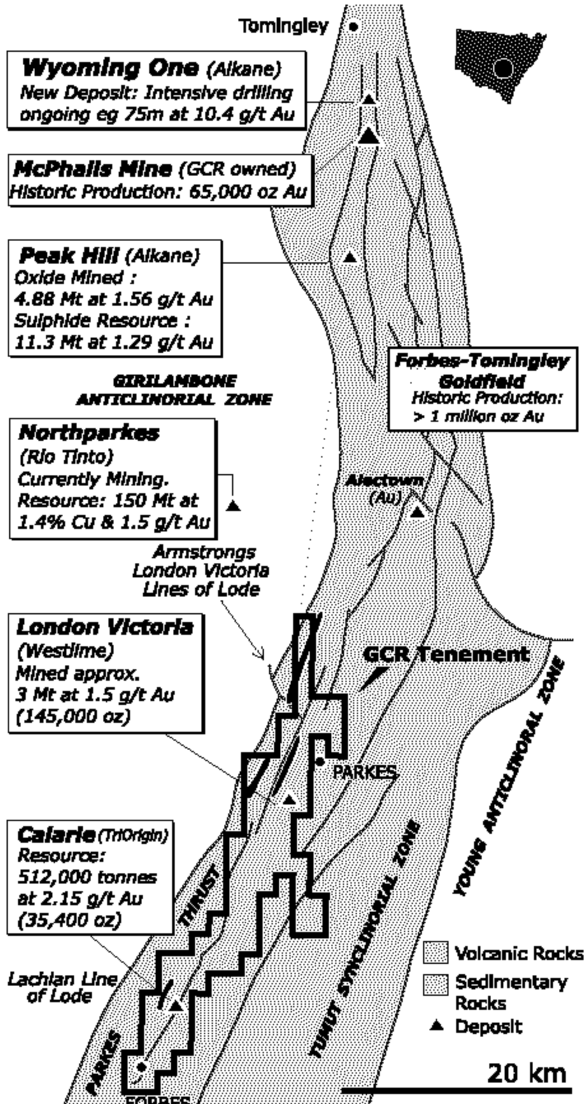
GCR believes delineation of lower tonnage, higher grade zones within the overall resource may enable this project to be developed. This delineation work, combined with metallurgical studies of barite are scheduled for the coming year.



KEMPFIELD RESOURCES at 60 g/t Silver Cut-off

Zone	Tonnes (million)	Silver (g/t)	Barite (%)
BJ	2.45	96	26
McCarron / Mather	0.77	88	18.4
Quarries	0.50	98	38.6
TOTAL	3.72	95	26.2

Barite horizons at Kempfield



Parkes Geology

PARKES

(near Parkes, NSW, 260 sq km, GCR 100%, gold)

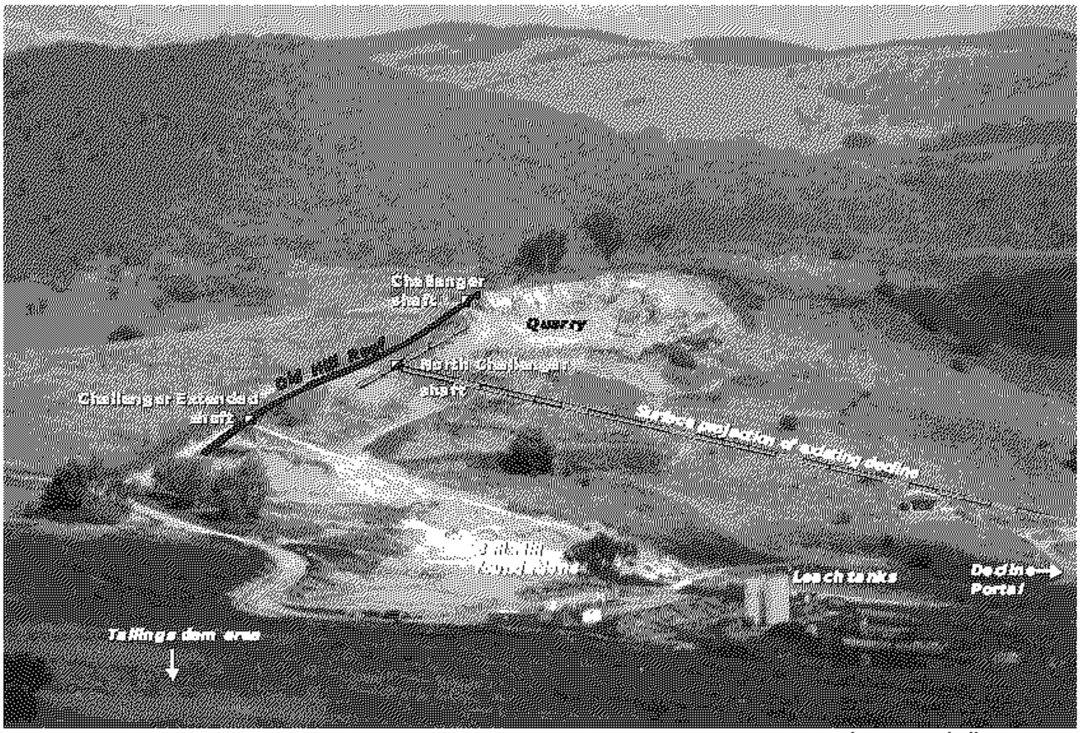
The Parkes exploration licence straddles the southern part of the Tomingley-Parkes-Forbes goldfield which historically produced in excess of 1 million ounces of gold.

Gold mineralisation characteristically occurs at the contact between sedimentary and volcanic rocks. Gold was mined from mining leases (inside the exploration licence but excluded from GCR tenure) in the 1980's at the London-Victoria mine. GCR has delineated a number of targets for follow-up drilling.

Of particular interest is the Wattlegrove prospect, which represents a strong soil geochemical anomaly where rock chip sampling returned up to 24.3 g/t gold in iron-rich sediments.

The discovery of the Wyoming One deposit by Alkane and significant results from drilling at the Alectown East project (Newcrest and Compass JV) further to the north, gives encouragement that the belt may re-emerge as a gold producing province. In both projects mineralisation is related to intrusive rocks.

ADELONG (near Tumut, NSW, 280 sq km, GCR 100%, gold)

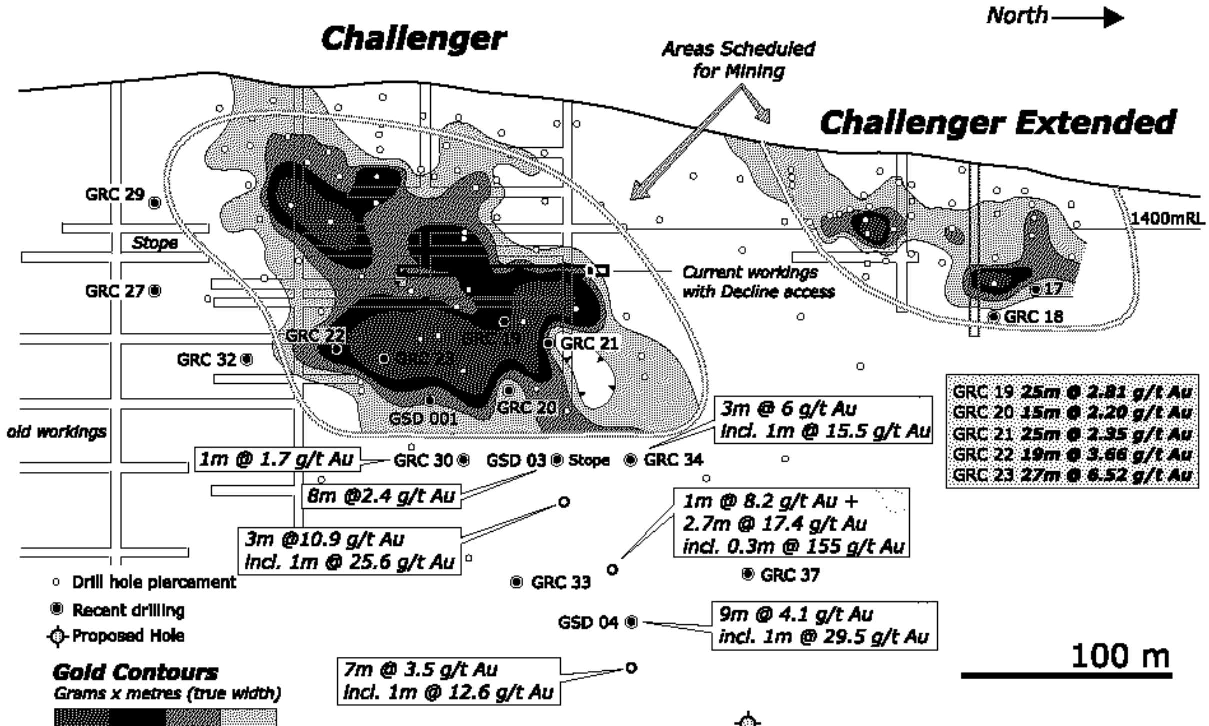


View south east to Challenger Mine

GCR is finalising a revised feasibility study for the Adelong Gold Project, focussing on the recovery of gold using gravity methods followed by flotation and intense cyanidation of the concentrates. The gravity - flotation - leach process is very cost effective and provides a high gold recovery from a low yield concentrate. Gold mineralisation is closely associated with a low pyrite content that liberates cleanly at a coarse grind size.

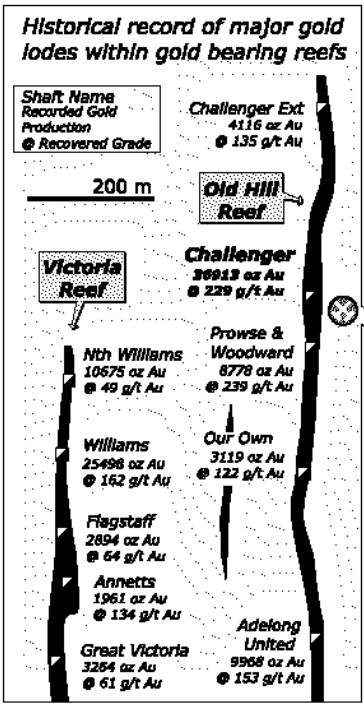
The revised process and a simple bulk mining approach has the potential for reduced project capital cost and project risk. Other benefits are improved cyanide management and potentially saleable tailings. Process development testwork undertaken by Gekko Systems and Metcon Laboratories indicates that a high recovery, low yield, high grade gold concentrate would be achievable. Total gold recovery is estimated to be 93%. Gekko indicate that Adelong ore ranks among the top 5% of gravity ores tested by them.

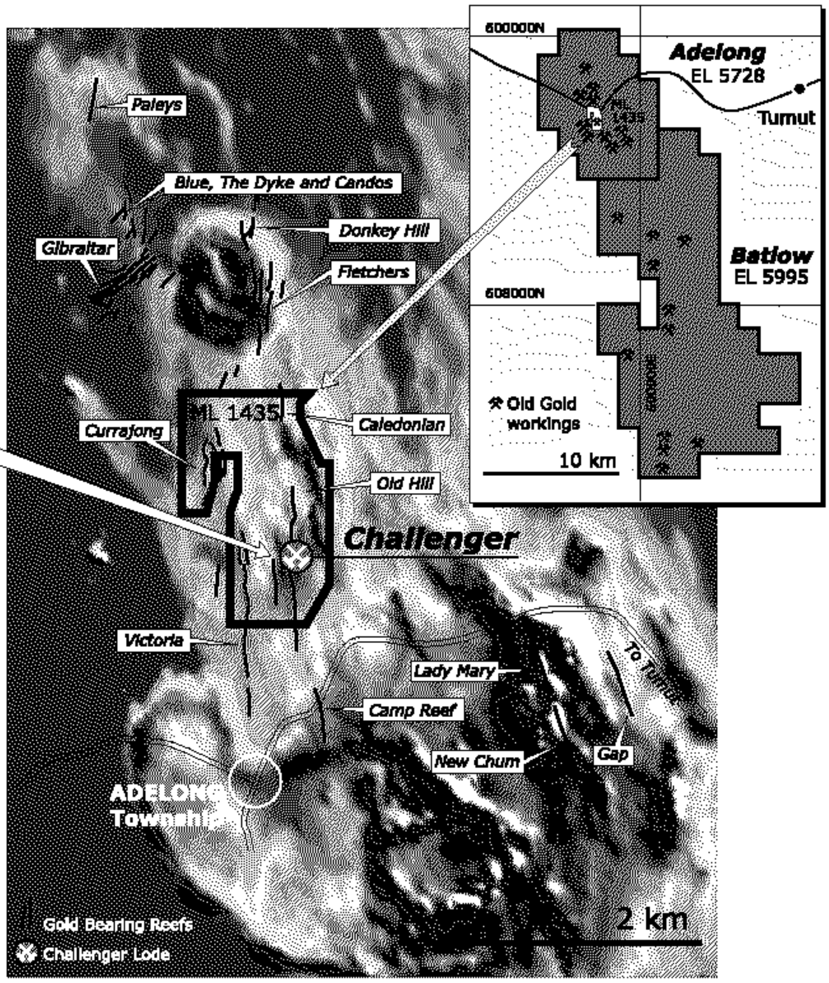
Adelong was once one of the largest gold fields in NSW, having produced an estimated 0.8 million ounces of gold from alluvial and hard rock sources. The known gold reefs are shown on the figure to the right overlying the regional magnetic image.



Challenger Longitudinal Section

ADELONG
cont...





Gold Reefs of the Adelong Goldfields overlying Magnetics

FARM-INS

GCR has four properties, all in NSW, subject to farm-in by mining and exploration companies who are either drilling or actively exploring the properties. This year saw the addition of the Gravity Capital farm-in in the Broken Hill district and the withdrawal of MIM from Copper Hill and West Wyalong and Pasminco from the Wagga Tank property.

As at September 2003 GCR held 3,659 sq km of exploration ground under licence or application. This compares with 4,147 sq km in 2002. Of the granted tenure 33% of the total area of GCR's licences is managed and funded by farm-in partners. This compares to 47% in 2002. These figures reflect both the recent withdrawal of some partners and GCR's consolidation of tenure and focus on specific projects.

CURRENT FARM-INS TO GCR PROPERTIES

Property	Party Farming In	Cash + Min. Commitment ($'000)	Total Spend ($M)	To Earn	Earn-in Date
Broken Hill	Sipa	245	8.25 and BFS*	70	02.05.2008
Broken Hill	GCap	Fly Gravity Survey	BFS*	51	31.01.2007
Cargo	Falcon	210	3.0	70	03.09.2006
Canbelego	Polymetals	200	Lodge ML Appl.	50	28.03.2004
Yellow Mtn.	Triako	150	1.3	70	19.10.2005
TOTAL		805	12.55+2 BFS*		

*BFS - Bankable Feasibility Study

BROKEN HILL

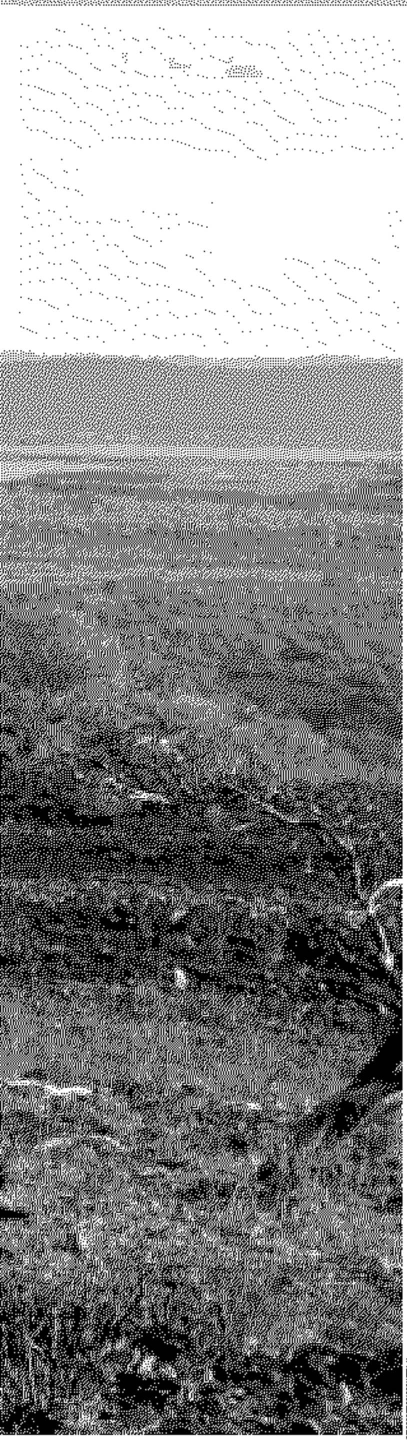
(near Broken Hill, in western NSW, 520 sq km, GCR 100%, platinum group metals, gold and base metals. Sipa (manager) may complete a bankable feasibility study by 2.5.2008 to earn 70%. GCap may earn a 51% interest in GCR-Sipa JV ground by completing a bankable feasibility study on nominated target areas by 31.1.2007)

Moorkale Prospect looking west towards the Broken Hill township.

During 2003 GCR announced it had signed an agreement with GCap over its Broken Hill tenement package held jointly with Sipa. Under the agreement GCap completed an airborne gravity gradiometer survey over the tenements using BHP Billiton's proprietary Falcon™ technology, designed to identify world-class orebodies hidden under cover.

Using this new data, GCap selected ten target areas on GCR-Sipa ground, representing more than half of the total of 18 areas nominated by GCap at Broken Hill. GCap has until 31 August 2004 to carry out preliminary testing on target areas, and until 31 January 2007 to complete a bankable feasibility study on any target area. GCap's rights are freely assignable to BHP Billiton, under the terms of the GCap-BHP Billiton Falcon™ System Deployment Agreement. Once GCap (or BHP Billiton) complete a bankable feasibility study, GCR and Sipa will each hold a 24.5% interest in the joint venture over that target area.

Concurrent with work undertaken by GCap on the GCR-Sipa ground, Sipa is conducting its own exploration. Sipa may earn a 70% interest in the GCR-Sipa ground by completing a bankable feasibility study by 2 May 2008. GCR would then hold a 30% interest. Sipa must meet minimum annual expenditures ranging from $250,000 to $3 million, for a total of $8.25 million, until completion of a bankable feasibility study or withdrawal.



During 2003 Sipa completed an intensive programme of exploration in order to define targets for further drilling since an early drill programme in February was curtailed due to mechanical difficulties. The work included detailed airborne magnetic surveys, downhole electro-magnetic surveys, geological mapping and extensive geochemical sampling. It is anticipated this work will be followed-up by ground electro-magnetic surveys and RAB and RC drilling.

The GCR-Sipa tenement package is located in one of the world's great mineral provinces, mostly within 25 km of Broken Hill. The Broken Hill Main Lode produced 279 million tonnes of ore grading 2.5 - 15% lead, 5 - 20% zinc and 20 - 300 g/t silver. In the 110 year history of mining, total metal production has been estimated to be worth about $70 billion. Innovative mining techniques and technologies have ensured that production continues. A recent analysis of exploration by the NSW Department of Mineral Resources suggests that despite 110 years of activity in the district, the area around Broken Hill remains poorly explored at depth (below 100m).

The GCR-Sipa exploration licences are considered to be highly prospective for high grade platinum group elements associated with high grade nickel and copper sulphides, iron oxide copper-gold deposits (Ernest Henry or Selwyn-style) and for new Broken Hill-style silver-lead-zinc deposits. GCR is excited about the application of new technologies such as Falcon™ to it's tenements. The company has enabled this by forming strong alliances with competent explorers. The opportunity is now open for significant discoveries in the district.

Gossanous Rock containing Platinum Group Metals & Gold at the Mulga Springs Prospect

YELLOW MOUNTAIN

(North of Condobolin, NSW, 310 sq km, GCR 100%. Gold, silver and base metals. Triako (manager) may earn a 70% interest by spending $1.3M by 19.10.2005)

Triako's exploration has progressed significantly. In 2003 a substantial area of altered and mineralised rock associated with the Melrose magnetic anomaly was identified which extends for 10km in a north westerly direction. Yellow Mountain lies within 20km of Triako's Mineral Hill gold mine and hosts similar rock sequences. The mine has been in production for over eight years and has produced in excess of 250,000 ounces of gold.

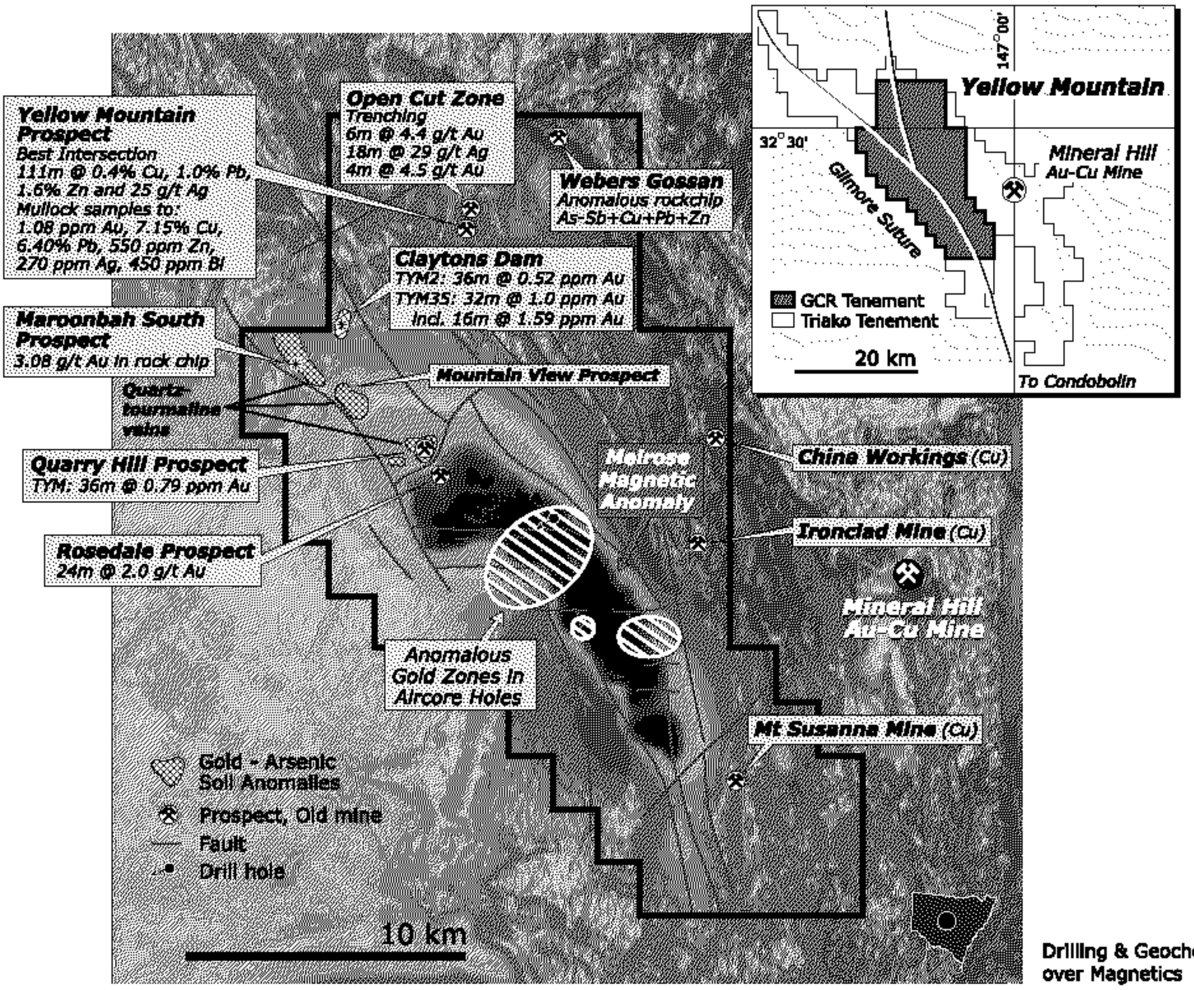
Triako is encouraged by exploration results to date and plans to conduct a 7,500m drilling programme during late 2003 to test for further gold and copper mineralisation associated with the anomaly.

The initial programme of aircore drilling at the Melrose magnetic anomaly was conducted at 750m centres and delineated a number of geochemical anomalies, some partly associated with a granitic intrusive rock referred to as the Fountaindale Granite. Geochemical anomalism centred on the granite identified an east-west trending corridor (2 km long and 750m wide).

A second phase of drilling, focussing on the corridor, brought the drill spacing down to approximately 250m centres. Results were encouraging and tested further by a fence of five RC holes. Hole TYM65 returned 11m at 0.81 g/t gold from 142m, which included 1m at 1.43 g/t and 1m at 5.52 g/t gold from 143m and 150m respectively. Hole TYM62, 480m to the east, returned 4m at 0.12 g/t gold. Anomalous quantities of sulphide minerals including pyrite and arsenopyrite were observed in the holes.

A 23 hole reverse circulation drilling programme tested gold-bearing zones at Claytons Dam, Rosedale and Quarry Hill on the northern end of the magnetic anomaly. Both quartz vein and skarn styles of mineralisation have been recognised by Triako geologists in all these areas. Holes at the Claytons Dam and Quarries zones returned broad zones of near surface gold mineralisation. For example 15m at 0.85 g/t gold including 4m at 1.33 g/t gold in hole TYM59 and 4m at 1.19 g/t gold, all from surface. This surface concentration of gold is highly encouraging. It is probably due to weathering processes, and presents potential for near-surface open-pittable resources.

GCR recognises that Triako is in the early phase of exploration in what appears to have been a poorly explored province, where gold and copper mineralisation is thought to be associated with large bodies of intrusive and volcanic rocks. GCR considers the potential for discovery of large copper-gold deposits like Cadia-Ridgeway, to be high, and that Triako's systematic and often innovative approach to exploration is required to facilitate that discovery.



Drilling & Geochemistry over Magnetics

CANBELEGO

(part of the Pipeline property near Cobar, totalling 280 sq km, GCR 100%, gold and base metals. Polymetals exploring 75 sq km Canbelego area for open-pittable resources of gold and silver, with any open-pittable ore mined to be shared 50:50 between GCR and Polymetals. 60 sq km around Mt Boppy subject to 5% net profits interest (NPI) to Nosebi Mining and Management Pty Ltd; 3 sq km NW of Pipeline property subject to 10% free carried interest to Metallic Resources Pty Ltd)

GCR has been exploring this area since it floated in 1996. Initial work focussed on the Pipeline Ridge prospect where a lead-gold anomaly in soils and RAB samples had outlined a zone over 1,000m long and 200 to 300m wide. Shallow drilling revealed a broad area of low grade, sub-economic gold mineralisation. Deeper drilling indicated the presence of shoots of hydrothermal breccia hosted in extensively altered and fractured volcanic rocks. While broad zones of highly anomalous gold, silver and base metal mineralisation occur, grades have not warranted detailed follow-up of these shoots.

More recently GCR has focussed on the northern part of the tenement around the Mt Boppy Gold Mine, with historic production of approximately 1 million tonnes at a grade of 12 g/t gold. More recently a private company, Polymetals, has been mining the remnant parts of the orebody in a small open pit. The Mining Leases which cover the old ore zone are relatively small and GCR controls the surrounding prospective ground. Initial geochemical exploration in the area located gold mineralisation in the Birthday Zone and the Mt Boppy South Zone. The latter returned rock chip values at surface averaging 5 g/t gold.

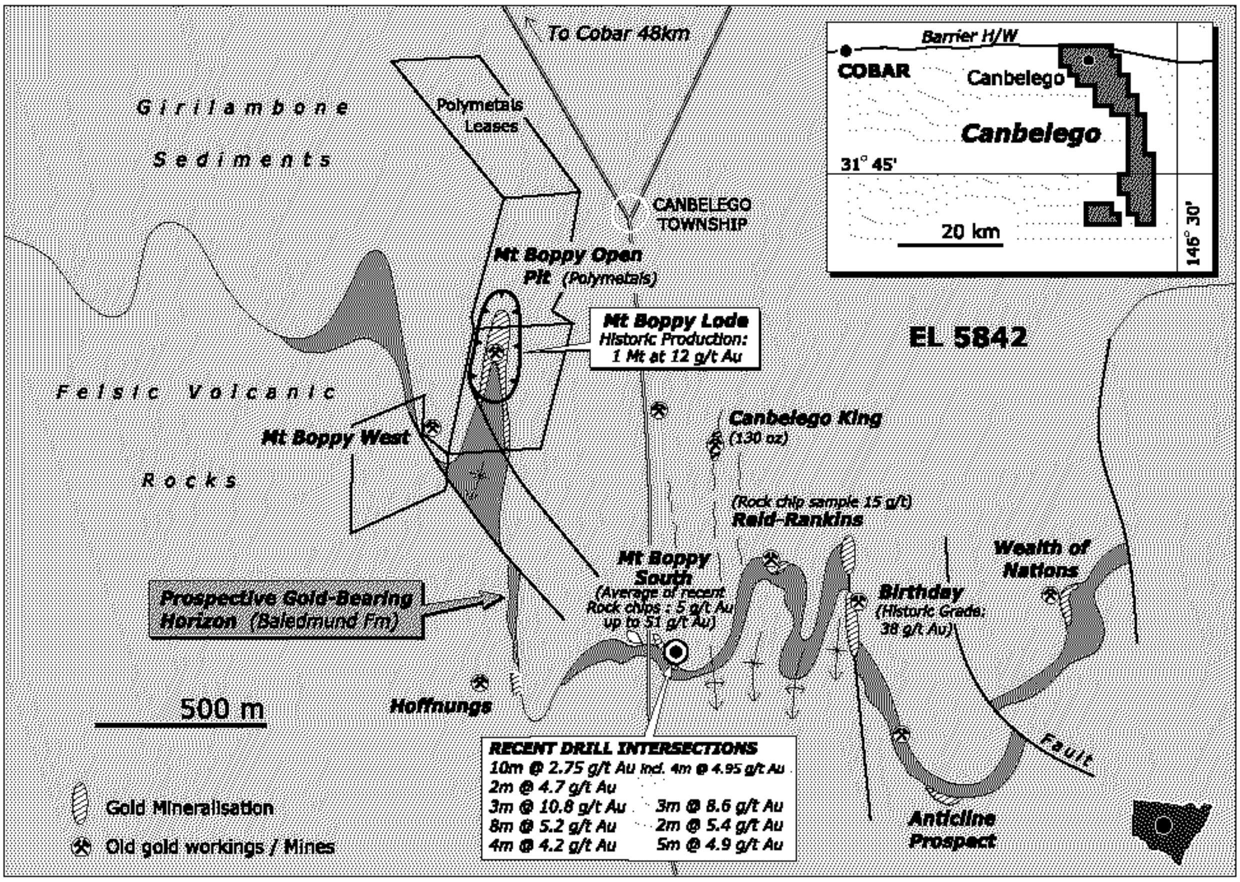
In March 2003 GCR reached an agreement with Polymetals whereby Polymetals has the right to apply for mining leases over open-pittable gold or silver mineralisation within the area. On commencement of mining GCR and Polymetals will establish a 50:50 joint venture, with ore mined to be processed through Polymetals' Mt Boppy plant. GCR will be free-carried by Polymetals through to commencement of mining. Thereafter Polymetals will fund GCR's share of costs associated with mining until gold is produced. GCR will repay those costs from 50% of GCR's share of free cashflow. In addition, GCR will reimburse Polymetals for cash costs incurred in mining and processing GCR's 50% share of the ore.

The 5% net profits interest held by a third party over the Canbelego area will be shared 50:50 by GCR and Polymetals.

Polymetals has completed two phases of drilling which focus predominantly on Mt Boppy South. Initial results (up to hole SB-10) were published on 22 May, 2003 and are outlined below along with the most recent results.

Mineralisation extends over a strike length of 75m and is open to the south. At the time of writing Polymetals was considering a number of detailed exploration proposals with a view to rapid assessment of resources, development and treatment of ore through its existing mill 1 km to the north. GCR is optimistic about the possibility of cash flow from the project in the coming year.

Further, GCR considers the probability for discovery of a substantial gold resource to behigh and that geological features are conducive to the occurrence of another Mt Boppy nearby (approximately 500,000 ounces of gold).



Mt Boppy Geology

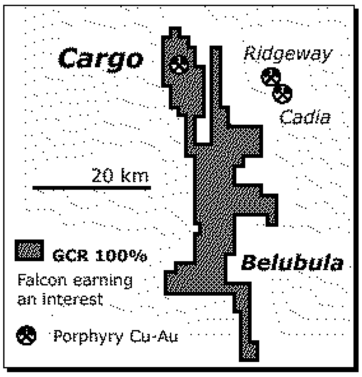
CARGO

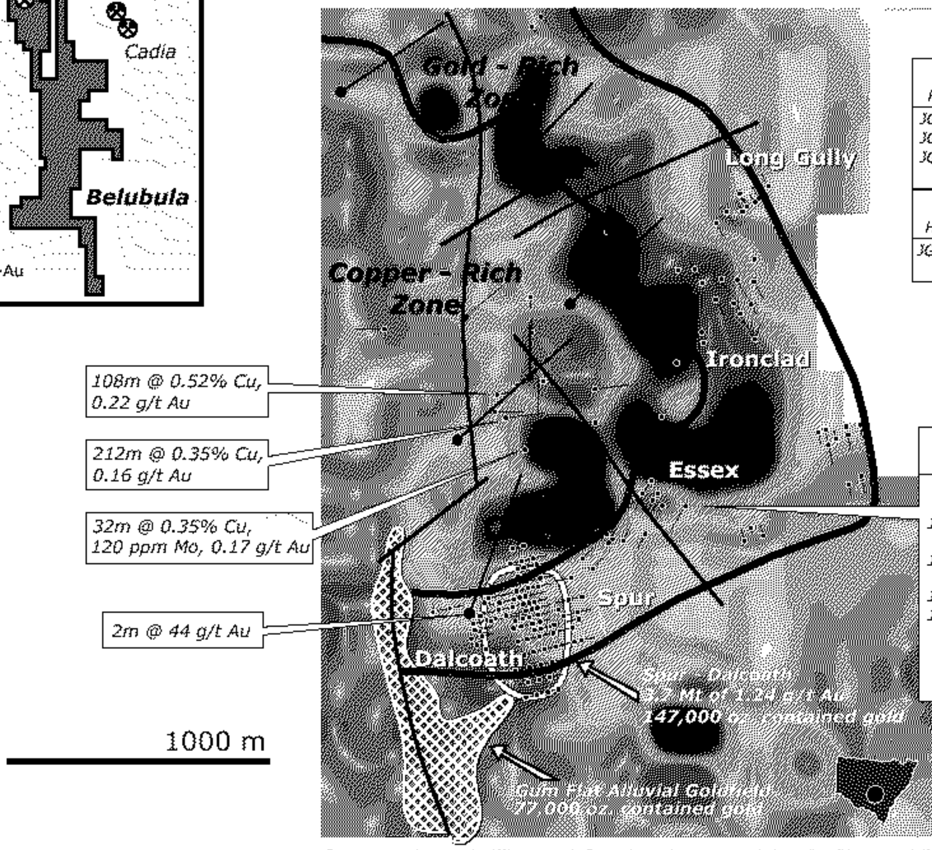
(NSW, 480 sq km, GCR 100%, copper and gold. Falcon (manager) may spend $3M by 3.9.2006 to earn 70%.)

Cargo is hosted in rocks of similar character and age to the large Cadia-Ridgeway gold deposit located 12 km due east. Like Cadia-Ridgeway, felsic rocks intrude a volcano-sedimentary sequence of intermediate composition. Cargo was the site of historical gold mining and has been explored as a porphyry copper-gold system since the 1970s. In 1997 GCR delineated an Inferred Resource of 3.7 million tonnes at 1.24 g/t gold. Since then GCR has had three farm-in partners, all with different approaches and target concepts.

Falcon Minerals Ltd, the current partner, has conducted extensive IP geophysical surveys over the area in order to map out the distribution of sulphide minerals as an indicator to Ridgeway-style mineralisation. This was followed up by RC drilling in 12 holes for a total of approximately 2,500m. Results were generally disappointing and a number of zones where strong sulphides were predicted failed to return appreciable sulphide in the rock or anomalous gold and copper.

Falcon is undertaking a re-assessment of the data and has more recently focussed their attention on magnetic anomalies in the Belubula tenement to the south of Cargo.





Long Gully holes

Hole	from	m	Au g/t
JG146	36	8	1.49
JG147	40	4	5.06
JG148	56	14	1.50
LG1	65.5	16.6	3.63

Ironclad hole

Hole	from	m	Au g/t
JG127	2	12	2.43
incl	8	2	9.26

Essex holes

Hole	from	m	Au g/t
87-6	16	9	5.63
and	58	3	6.09
JG119	30	6	9.53
incl	30	2	24.16
JG140	38	14	4.12
incl	50	2	23.5
JG121	26	2	18.54
JG143	84	4	4.21
incl	86	2	7.75
and	104	8	1.48
incl	110	2	4.61
and	148	2	5.43

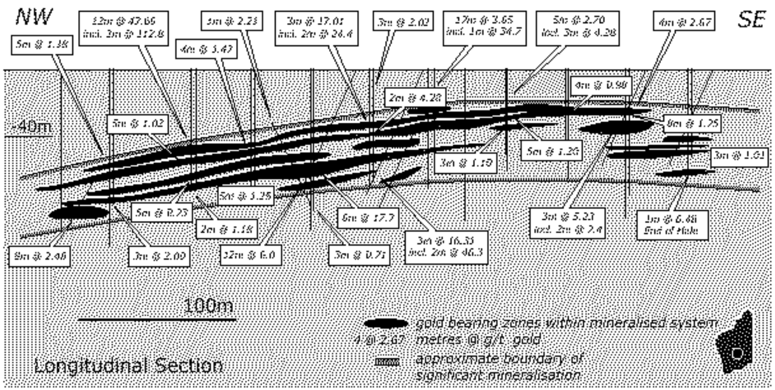
Cargo Project: Drilling and Geochemistry overlying IP Chargeability

ROYALTIES HELD BY GCR

LAVERTON

(Laverton (WA, 25 sq km, GCR 2% gross royalty, gold)

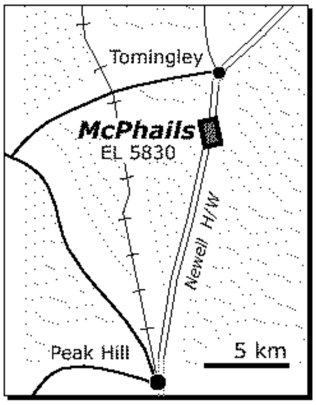
GCR holds a 2% gross royalty on its formerly-held Laverton property in Western Australia, where drilling has produced gold intersections of up to 6m at 17.69 g/t gold. Current property holder Desertex intends to conduct further drilling.

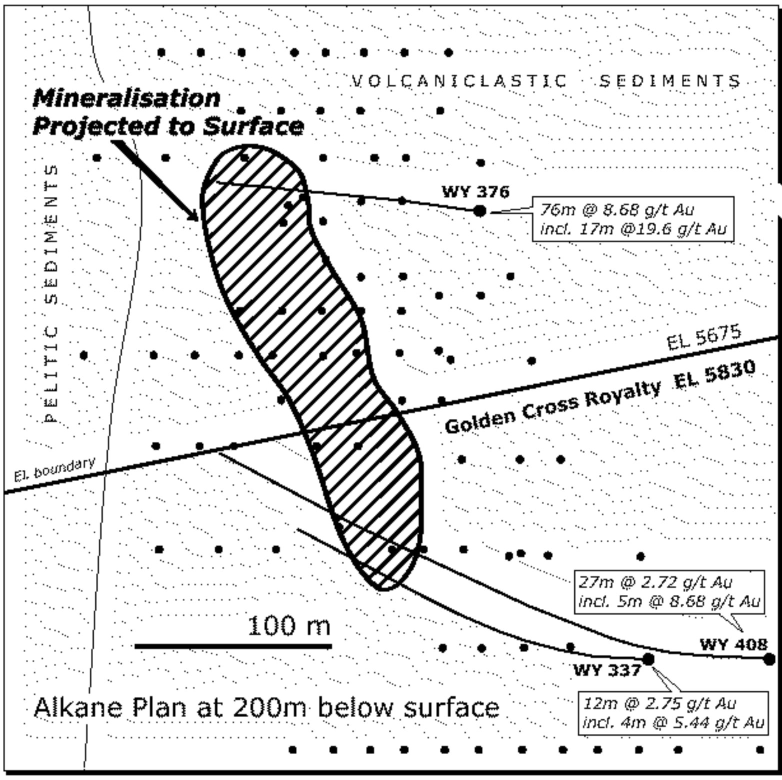


McPHAILS

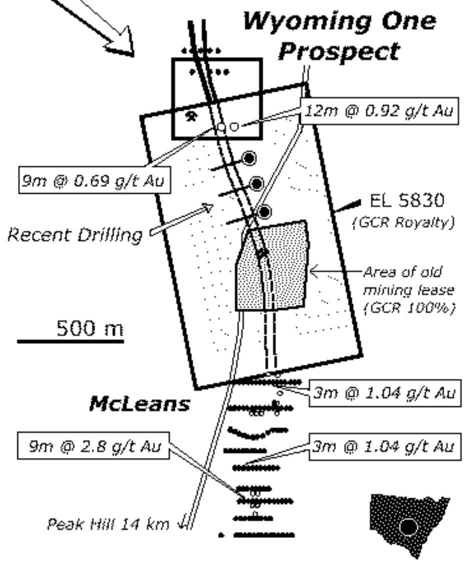
(near Peak Hill, NSW, 10 sq km, gold. GCR holds area of old mining lease 90% and a sliding-scale royalty of up to 5% on the remainder of the exploration licence. 10% of the royalty is payable to Metallic Resources Pty Ltd)

McPhails Location Plan





Wyoming One Prospect



Plan showing Location of Wyoming One and GCR's Mining Lease area

Alkane Exploration Ltd earned a 100% interest in GCR's exploration licence by spending $30,000 on drilling. GCR holds a 90% equitable interest in the area of the old McPhails mining lease (13 hectares in area) within the exploration licence.

GCR retains a royalty on former EL 5830 of:

- $0.75/tonne royalty for the first 500,000 tonnes of ore treated;
- 3% net smelter return on additional ounces produced up to 150,000 ounces; and
- 5% net smelter return on additional ounces produced in excess of 150,000 ounces.

McPhails is located 16 km along the Newell Highway from Alkane's Peak Hill plant.

Intensive drilling by Alkane at Wyoming One continued throughout 2003. Wyoming One is a gold prospect that straddles the northern boundary of the exploration licence. This work has delineated a resource expected to be in the order of 500,000 ounces of gold. Gold mineralisation is spatially associated with an intrusive porphyry rock plunging southward into the GCR royalty ground. In a press release by Alkane on 2 September 2003, the company describes the results of hole WY560D drilled from GCR royalty ground, northward into the Wyoming One resource:

> "The hole also intersected a previously unknown porphyry body to the south of the main zone. This porphyry is weakly altered and mineralised and constitutes a new target. Follow up relogging of early aircore holes and a review of the geology of the history of the Myall's United mine (McPhails) indicated that this porphyry may link mineralised veins at Myall's to the system."

The press release also indicates that further exploration is planned to assess this new zone. This development is exciting for GCR as not only does the mineralisation extend into GCR royalty ground, but GCR holds a 90% interest in the area around the McPhails workings. If a structural link between the two is established, the ground has potential to host significant resources.

PEOPLE IN GCR

Directors

Christopher Ryan, Chairman. BEcon, MBA, FAusIMM, ASIA, MPESA c.ryan@goldencross.com.au

Christopher is the principal of Westchester Corporate Finance, a corporate advisory business located in Sydney with a focus on the resources sector, and a director of Pacific International Limited with extensive experience in providing financial and corporate advice to mining and petroleum companies. He was Director, Corporate Finance Division, of Schroders Australia Limited for over 25 years and has been director and chairman of listed public companies in the mining and petroleum industries since 1988.

Kerry McHugh, Non Executive Director. BCom (Hons) kerry.mchugh@goldencross.com.au

Kerry has over 30 years experience in the minerals and energy industries in Australia and PNG. Specific experience includes positions as General Manager - Business Development with Plutonic Resources Limited, a planning and strategy role with Pioneer International Limited and worked more than 20 years as a Policy Advisor to Australian and PNG governments.

David Timms, Managing Director. BSc (Hons), PEng, FAIG, FAusIMM david.timms@goldencross.com.au

David has over 40 years experience in the exploration industry. In 1967, David established the exploration arm of Lac Minerals, then went on to become Manager, Amoco Minerals Australia, 1972-1985, followed in 1985-1990 by a role as Exploration Manager, Cyprus Gold Australia. David has managed teams which have discovered over 30 mineable deposits including Red Dome (porphyry copper-gold), Gidgee (Archaean gold), Selwyn-Starra (Ironstone copper-gold), Mt McClure (Archaean gold), Didipio, Philippines (porphyry copper-gold), and Golden Cross, NZ (epithermal gold).

Chris Torrey, Director - Exploration. BSc, MSc, MAIG. chris.torrey@goldencross.com.au

Chris is an exploration geologist with more than 25 years industry experience. He has worked extensively throughout Australia, North, South and Central America, and Indonesia, on projects that span a wide range of geological terranes and mineralised systems including copper-gold porphyries (Indonesia, Central America, Jamaica, Australia), porphyry-related skarns (Queensland, Tasmania), epithermal gold-silver (New Zealand, Eastern Australia, Central America, Chile), and shear-hosted gold (Venezuela, California). Chris has been with GCR since 1996 as Exploration Manager and has recently been appointed Director Exploration.

Daven Timms, Alternate Director / Company Secretary. BSc LLB (Hons), AMPLA, ASIA, MAusIMM daven.timms@goldencross.com.au

A Solicitor with 15 years experience, and a science (physics) background, Daven founded Golden Cross Operations with David Timms in 1990. He was Corporate Solicitor, then Company Secretary, of Delta Gold from 1998 to 2001, and Corporate Lawyer, AurionGold during 2002. He also works as a lawyer with Resources Legal, in a part-time capacity.

Administration Team

Carl Hoyer, Accountant. Certificate in Accounting (TAFE) carl.hoyer@goldencross.com.au

Carl joined GCR part time in 2000 with 15 years experience as an accountant. Previously worked in varying roles with CSR for 22 years.

Margaret Greentree, Company Secretary. BEc, BBus (Accounting) margaret.greentree@goldencross.com.au

Experience in the banking and finance sector (Commonwealth Bank of Australia, Indo-Suez Niugini Finance Company) prior to joining Golden Cross in 2000.

Exploration Team

Gordon McLean, Senior Geologist. BSc, MSc, MAIG. gordon.mclean@goldencross.com.au

Gordon has 17 years experience in the exploration industry, joining GCR in 1996. Previously with MPI/Stawell Gold Mines (1994 -1996) as the exploration geologist, Victoria, he was responsible for project generation and regional gold exploration within a mesothermal gold vein environment. Gordon also worked with Cyprus Gold (1989- 1994) in Australia and New Zealand conducting regional exploration for gold and base metals. Specific projects included Waihi (vein-hosted gold), Selwyn (ironstone hosted gold-copper), and Mt Elliot (copper gold replacement).

Robyn Hee, Senior Geologist. BSc, MAIG. robyn.hee@goldencross.com.au

Robyn joined GCR in 1997. She has 19 years industry experience, previously working at CRA Exploration (from 1992) within both District and Exploration Research Groups in an information systems and desktop mapping capacity. Robyn also worked with Cyprus Gold and then Arimco NL between 1985 and 1992 as a project field based exploration geologist across a diverse range of projects including copper-gold porphyry-style, epithermal deposits and copper-gold and gold replacements across Eastern Australia and the Solomon Islands.

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Golden Cross Resources Ltd ("GCR") and the entities it controlled at the end of, or during, the year ended 30 June 2003.

DIRECTORS

The following persons were Directors of GCR during the financial year and up to the date of this report:

Christopher Ryan	(appointed Chairman of Directors on 26 March 2003)
David Timms	(office was automatically vacated at the 2002 AGM, he having turned 72. Re-appointed 14 May 2003)
Kerry McHugh	
Chris Torrey	(appointed Director - Exploration, effective 1 July 2003)
Daven Timms	(Executive Director until 30 June 2003. Appointed Alternate Director for David Timms, effective 1 July 2003)
Lex Hansen	(until 11 October 2002)
Erwin Clayton	(from 11 October 2002 until 20 June 2003)

PRINCIPAL ACTIVITIES

The principal continuing activities of the consolidated entity during the year consisted of minerals exploration and development of precious and base metals projects in NSW. There were no significant changes in the nature of activities during the year.

OBJECTIVE

The Company's long-term objective is to participate in the discovery of one or more world class mineral deposits in NSW. The short-term objective is to add value through exploration and development of mineral properties. Value may be added through identifying and acquiring mineral properties in prospective locations, generating drill targets through innovative modelling, delineating resources, entering into significant farm-in arrangements with other companies or developing projects through to the production stage to provide cash flow.

DIVIDENDS

The Directors report that during the year ended 30 June 2003, no dividends were declared or paid. The Directors of the Company do not recommend the payment of a dividend in respect of the financial year.

REVIEW OF OPERATIONS

The most significant developments in the Company's operations were the following (see Review of Exploration for details):

1. Sunny Corner gold-silver mineralised zone found to extend for over 2 km.
2. Canbelego farm-in agreement with Polymetals to exploit gold-silver mineralisation on GCR's Canbelego property.
3. Broken Hill farm-in agreements with Sipa and Gravity Capital to explore for world-class orebodies. Maximum 10 target areas selected by GCap on GCR-Sipa ground.
4. McPhails property re-rated following encouraging drill results from Alkane's drilling on the nearby Wyoming One prospect. Wyoming One straddles EL 5830, on which GCR holds a royalty of up to 5% net smelter return, and lies close to McPhails, owned 90% by GCR.
5. Adelong mining and processing options further refined.
6. Share Purchase Plan success, with over 320 shareholders contributing $1.3 million, resulting in year-end cash reserves of $1.05 million.

The Company now has five active farm-ins, with optional earn-in expenditures of over $10 million plus a bankable feasibility study at Broken Hill.

The Company made a number of provisions against the carrying value of a number of exploration properties, against the possibility that farm-in partners will not be found and the likelihood that carried forward expenditures will need to be written off.

EARNINGS PER SHARE

	2003	2002
	Cents	Cents
Basic and diluted earnings per share	(4.215)	(0.258)
Weighted average number of ordinary shares during the year used in the calculation of basic earnings per share	116,034,032	85,668,516

CASH RESERVES

At 30 June 2003 the consolidated entity held cash reserves of $1,045,919, excluding security deposits in the amount of $281,200.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

At the date of this report the only matters that have arisen since 30 June 2003 that have significantly affected or may significantly affect the operations of the consolidated entity in future financial years, the results of those operations in future financial years, or the state of affairs in future financial years of the consolidated entity were:

1. The appointment of Chris Torrey as Director - Exploration;
2. The appointment of Daven Timms as Alternate Director to David Timms; and
3. The issue of shares following the exercise by the Investor Group of its put option; on 18 July 2003 GCR issued the Investor Group with 5,639,100 shares in consideration of its 5% interest in the Challenger Joint Venture at Adelong.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company plans to progress its Sunny Corner, Canbelego, Parkes and Adelong properties and secure further farm-in partners for the Company's major exploration properties not already farmed-out.

INFORMATION ON DIRECTORS

Director	Experience	Special Responsibility	Particulars of Directors' Interest in Shares and Options of Parent Entity	
			Ordinary Shares	Options
Christopher Ryan	Non-executive Chairman since 26 March 2003. BEcon, MBA, FAusIMM, ASIA, MPESA. Principal of Westchester Corporate Finance, a corporate advisory business located in Sydney with a focus on the resources sector. Formerly Director, Corporate Finance Division, Schroders Australia Limited. Extensive experience in providing financial and corporate advice to mining and petroleum companies and as a director and chairman of listed public companies in the mining and petroleum industries. He is also a director of Pacific International Limited.	Non executive Chairman and Audit Committee member	250,000	1.0M Director Options exercisable at 15c by 30.11.2006
David Timms	Managing Director for 9 years. BSc (Hons), PEng, FAusIMM, FAIG, Manager, Amoco Minerals Australia from 1972 to 1985. Exploration Manager, Cyprus Gold from 1985 to 1990. Managed teams that discovered 30 mineable deposits including Red Dome, Gidgee, Sheahan Grants, Selwyn-Starra, Moline and Mt McLure.	Managing Director	17,269,070	1.5M Director Options exercisable at 15c by 30.11.2006
Kerry McHugh	Non-executive Director for 5 years. BCom (Hons). Policy advisor to Australian and Papua New Guinean governments, 1967 to 1978. Manager, Strategy and Planning, Pioneer International Limited, 1987 to 1991. General Manager, Business Development, Plutonic Resources Ltd, 1991 to 1998.	Non executive Director, Audit Committee Chairman	626,797	1.0M Director Options exercisable at 15c by 30.11.2006
Chris Torrey	Executive Director since 1 July 2003. BSc, MSc, MAIG. Exploration Manager, GCR, 1996 - 2003. Geologist with Cyprus Amax, 1986 to 1996, exploring in Australia, New Zealand, Central America and Indonesia. He has explored for copper-gold porphyries, porphyry-related skarns, epithermal-gold silver and shear-hosted gold systems.	Director - Exploration	398,800	1.45M Employee Options exercisable at 10c by 25.6.2008
Daven Timms	Alternate Director to David Timms from 1 July 2003. BSc LLB (Hons), AMPLA, MAusIMM, ASIA. Formerly Executive Director, GCR, 1994 - 2003. Solicitor with over 15 years' experience. Corporate Solicitor/Company Secretary, Delta Gold, from 1998 - 2001. Corporate Lawyer, AurionGold, 2002. He also works part-time as a lawyer with Resources Legal.	Alternate Director to David Timms, and Company Secretary	260,785	1.0M Director Options exercisable at 15c by 30.11.2006

The particulars of Directors' interests in shares and options are as at the date of this report.

SECURITIES TRANSACTION RULES

Chris Torrey retires as a Director in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Directors (including meetings of committees of Directors) held during the year ended 30 June 2003, and the numbers of meetings attended by each Director were:

Name	Full Board Meetings Held While a Director	Full Board Meetings Attended While a Director	Audit Committee Meetings Held While a Member	Audit Committee Meetings Attended While a Member
Christopher Ryan	6	6	-	-
David Timms	8	8	-	-
Kerry McHugh	18	18	2	2
Daven Timms	18	18	-	-
Lex Hansen	4	4	2	2
Erwin Clayton	12	12	-	-

DIRECTORS' EMOLUMENTS

Executive remuneration and other terms of employment are set having regard to performance and relevant comparative information. As well as a base salary, remuneration packages include superannuation, retirement and termination entitlements, performance-related bonuses, options and fringe benefits.

David Timms is eligible to participate in the Company's Employee Share Option Plan however to date has not participated. David Timms and Kerry McHugh participated in the Company's Share Acquisition Scheme during the year - see Note *, below the table.

Remuneration packages are set at levels intended to attract and retain executives capable of managing the Company's operations. Remuneration of Non-executive Directors is determined by the Board within the maximum amount approved by shareholders.

Details of the nature and amount of each element of the emoluments received by each Director of Golden Cross Resources Ltd and by the officers of the Company and the consolidated entity receiving the highest emoluments are set out in the following tables. Consulting fees paid to entities associated with the Directors are shown in Note 22.

NON-EXECUTIVE DIRECTORS OF GOLDEN CROSS RESOURCES LTD

Name	Director's Base Fee	Superannuation	Subtotal *	Options **	Total
	$	$	$	$	$
Christopher Ryan, Chairman	-	-	-	13,000	13,000
Kerry McHugh	20,000	1,800	21,800	5,200	27,000
Lex Hansen	16,667	1,500	18,167	-	18,167
Erwin Clayton	42,500	3,825	46,325	26,000	72,325

EXECUTIVE DIRECTORS OF GOLDEN CROSS RESOURCES LTD

Name	Salary	Superannuation	Subtotal *	Options **	Total
	$	$	$	$	$
David Timms, Managing Director	87,750	7,898	95,648	-	95,648
Daven Timms, Executive Director	-	-	-	-	-

OTHER EXECUTIVES OF THE CONSOLIDATED ENTITY

Name	Salary	Superannuation	Subtotal *	Options **	Total
	$	$	$	$	$
Chris Torrey, Exploration Manager	110,020	9,450	119,470	7,968	127,438

Note *: During part of the year in review two Directors participated in the Company's Share Acquisition Scheme (SAS), approved by shareholders at the 2002 AGM, through salary sacrifice, as follows: Kerry McHugh - $10,000 (166,667 shares) and David Timms - $43,875 (731,250 shares). The above share issues were approved by special resolutions of shareholders.

Note **: The amounts disclosed in the above tables for non-cash remuneration relating to options are the assessed fair values of options at the date they were granted during the year ended 30 June 2003. Fair values have been assessed using the Black & Scholes option pricing model. Factors taken into account by the model include the exercise price, the term of the option, the share price on the date of grant and expected price volatility of the underlying share, discount for unquoted options, discount for vesting limits, the expected dividend yield and the risk-free interest rate for the term of the option.

During the year the Directors were granted the following options exercisable at 15 cents by 30.11.2006: Christopher Ryan - 1,000,000 options; Kerry McHugh - 400,000 options; and Erwin Clayton - 2,000,000 options.

"Other executives" are officers who are involved in, concerned in, or who take part in, the management of the affairs of the consolidated entity. All other employees are not considered to be involved in the management of the affairs of the consolidated entity.

During the year Chris Torrey was granted the following employee options exercisable at 10 cents within 5 years of the following dates: 20.12.2002 - 160,000 options and 25.6.2003 - 160,000 options. Chris Torrey was appointed Director - Exploration on 1 July 2003.

SHARE OPTIONS

Options issued to the Directors and most highly remunerated officers of the Company and consolidated entity as part of their remuneration were as follows:

Non-executive Directors of the Consolidated Entity

Christopher Ryan, Non-executive Chairman	1,000,000
Kerry McHugh, Non-executive Director	400,000
Erwin Clayton, Non-executive Director	2,000,000

Executives of the Consolidated Entity

Chris Torrey, Exploration Manager (appointed Director - Exploration effective 1 July 2003) 320,000

Shares Under Option

Unissued ordinary shares of Golden Cross Resources Ltd under option at the date of this report include 7.6 million Director options exercisable at 15 cents by 30.11.2006, 1.25 million unquoted options exercisable at 12.5 cents by 1.1.06 and 3 million employee options exercisable at 10 cents as follows:

	Number	Issue Price of Shares	Expiry Date
Golden Cross Resources Employee Option Plan Options	220,000	10 cents	19.12.2003
	205,000	10 cents	12.07.2004
	230,000	10 cents	18.12.2004
	335,000	10 cents	26.06.2005
	320,000	10 cents	22.12.2005
	315,000	10 cents	27.06.2006
	325,000	10 cents	21.12.2006
	325,000	10 cents	28.06.2007
	355,000	10 cents	20.12.2007
	370,000	10 cents	25.06.2008
	3,000,000		

The above options are exercisable under the terms of the Company's Employee Share Option Plan approved by shareholders at the 2002 AGM. Option holders have no rights to participate in new issues of shares.

ENVIRONMENTAL REGULATION

The consolidated entity is subject to significant environmental regulation in respect to its exploration activities in gold and base metals.

The Company meets the standards set by the Australian Minerals Industry Code for Environmental Management.

The Company has developed criteria to determine areas of 'particular' or 'significant' importance, with regard to environmental performance. These are graded 1 to 4 in terms of priority.

Level 1 incident major non-compliance with regulatory requirement resulting in potential public outcry and significant environmental damage both long and short-term nature.

Level 2 incident significant non-compliance resulting in regulatory action, however environmental damage is only of a short-term nature.

Level 3 incident minor non-compliance - no fine is imposed, however regulatory authority is notified.

Level 4 incident non-compliance with internal policies and procedures. The incident is contained on-site.

In the last year no incidents have occurred.

INSURANCE OF OFFICERS

During the financial year Golden Cross Resources Ltd paid a premium to insure the Directors and other officers of the Company and its wholly owned subsidiary. Under the terms of the policy the policy premium and policy liability cannot be disclosed.

ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar, in accordance with that Class Order.

AUDITOR

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act.

This report is made in accordance with a resolution of the Directors.

David Timms, Managing Director

Sydney, 3 September 2003.

CORPORATE GOVERNANCE STATEMENT

The Directors of Golden Cross Resources Ltd administer the affairs of the Company to the highest standards of corporate governance. The Company's main corporate governance practices are set out below.

THE BOARD OF DIRECTORS

The Board takes ultimate responsibility for corporate governance and operates in accordance with the following principles:

- the Board comprises a minimum of four Directors;
- not less than one half of the Board should be Non-executive Directors;
- the Chairman should be a Non-executive Director who is elected by the full Board; and
- the Board should comprise Directors with a broad range of skills and experience relevant to the business of the Company.

AUDIT COMMITTEE

The Audit Committee consists of the following Non-executive Directors:

Kerry McHugh (Chairman) and Christopher Ryan

The main responsibilities of the Audit Committee are to:

- review and report to the Board on the annual report and financial statements
- provide assurance to the Board that it is receiving adequate, up to date and reliable information
- assist the Board in reviewing the effectiveness of the Company's internal control environment covering:
  - effectiveness and efficiency of operations
  - reliability of financial reporting, and
  - compliance with applicable laws and regulations

The Committee is also charged with the responsibilities of recommending to the Board the appointment, removal and remuneration of the external auditors, and reviewing the terms of their engagement, and the scope and quality of the audit.

In fulfilling its responsibilities the Committee receives regular reports from management and the external auditors. It also meets with the external auditors at least twice a year, more frequently if necessary. The external auditors have a clear line of direct communication at any time to the Chairman of the Audit Committee or the Chairman of the Board.

The Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party, and obtain external legal or other independent professional advice.

The Committee reports to the full Board after each Committee meeting and relevant papers and minutes are provided to all Directors.

INDEPENDENT PROFESSIONAL ADVICE

Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required, which will not be unreasonably withheld.

CONTINUOUS DISCLOSURE REGIME

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company and its controlled entities that a reasonable person would expect to have a material effect on the price of the Company's securities.

All information disclosed to the Australian Stock Exchange is posted on the Company's website immediately after it is disclosed. When analysts are briefed on aspects of the Company's operations, the material used in the presentation is released to the Australian Stock Exchange and posted on the Company's website.

SECURITIES TRANSACTION RULES

The Company has in place written securities transaction rules. These are binding on Directors, officers and employees of the Company and prohibit trading in GCR securities while in possession of price-sensitive information. The Company Secretary must be notified of trading in GCR securities and the securities of GCR's joint venture partners.

CODE OF ETHICS

The Board has adopted a Code of Ethics to promote high standards of conduct and integrity among GCR employees, officers and Directors.

STATEMENTS OF FINANCIAL PERFORMANCE

for the year ended 30 June 2003

	Notes	CONSOLIDATED 2003 $'000	CONSOLIDATED 2002 $'000	PARENT ENTITY 2003 $'000	PARENT ENTITY 2002 $'000
REVENUE FROM ORDINARY ACTIVITIES	2	128	103	31	22
Carrying amount of disposal of share in joint venture		(116)	-	-	-
Exploration expense	3	(4,519)	(87)	-	-
General & administrative expenses		(398)	(240)	(3,405)	(1,798)
LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX	3	(4,905)	(224)	(3,374)	(1,776)
Income Tax attributable to ordinary activities	4	-	-	-	-
NET LOSS ATTRIBUTABLE TO MEMBERS OF GOLDEN CROSS RESOURCES LIMITED		(4,905)	(224)	(3,374)	(1,776)
Net decrease in asset revaluation reserve		-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners		(4,905)	(224)	(3,374)	(1,776)

EARNINGS PER SHARE		**2003**	2002
		Cents	Cents
Basic and diluted earnings per share	27	(4.215)	(0.258)

The above statements of financial performance should be read in conjunction with the accompanying notes.

STATEMENTS OF FINANCIAL POSITION

for the year ended 30 June 2003

		CONSOLIDATED		PARENT ENTITY	
	Notes	**2003**	2002	**2003**	2002
		$'000	$'000	**$'000**	$'000
CURRENT ASSETS					
Cash assets	5	1,046	801	1,026	813
Inventories		19	19	-	-
Other	6	345	330	39	32
Total Current Assets		1,410	1,150	1,065	845
NON-CURRENT ASSETS					
Receivables	7	-	-	12,028	10,440
Investments	23	-	-	950	3,940
Exploration Properties, Plant and Equipment	8	13,085	16,129	116	1
Intangibles	9	9	12	-	-
Total Non-Current Assets		13,094	16,141	13,094	14,381
TOTAL ASSETS		14,504	17,291	14,159	15,226
CURRENT LIABILITIES					
Payables	10	150	331	41	18
Provisions	11	335	26	300	-
Total Current Liabilities		485	357	341	18
NON-CURRENT LIABILITIES					
Provisions	12	180	174	-	-
Loans	13	98	-	98	
Total Non-Current Liabilities		278	174	98	-
TOTAL LIABILITIES		763	531	439	18
NET ASSETS		13,741	16,760	13,720	15,208
EQUITY					
Contributed equity	14	19,855	17,969	19,855	17,969
Reserves	15(a)	1,792	1,792	599	599
Accumulated losses	15(b)	(7,906)	(3,001)	(6,734)	(3,360)
TOTAL EQUITY		13,741	16,760	13,720	15,208

The above statements of financial performance should be read in conjunction with the accompanying notes.

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2003

	Notes	CONSOLIDATED 2003 $'000	CONSOLIDATED 2002 $'000	PARENT ENTITY 2003 $'000	PARENT ENTITY 2002 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers and employees		(336)	(128)	(178)	(105)
Exploration and evaluation expenditure		(1,103)	(1,211)	-	-
Interest received		38	29	32	22
Other income		89	74	-	-
Net cash inflow (outflow) from operating activities	25	(1,312)	(1,126)	(146)	(83)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment for purchase of controlled entity, net of cash acquired		-	(50)	-	(50)
Payments for mine property, property, plant and equipment		(149)	(314)	(115)	-
Security deposits		(3)	-	-	-
Loan to controlled entity		-	-	(1,235)	(1,145)
Net cash inflow (outflow) from investing activities		(152)	(364)	(1,350)	(1,195)
CASH FLOWS FROM FINANCING ACTIVITIES					
Gross Proceeds from issue of shares		1,654	1,470	1,654	1,470
Other Finance		98	300	98	-
Cost of issue of shares		(43)	(25)	(43)	(25)
Net cash inflow (outflow) from financing activities		1,709	1,745	1,709	1,445
NET INCREASE (DECREASE) IN CASH HELD		245	145	213	167
Cash at beginning of financial year		801	656	813	646
CASH AT END OF FINANCIAL YEAR	5	1,046	801	1,026	813
Non cash financing activities	26				

The above statements of cash flows should be read in conjunction with the accompanying notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act.

It is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

(a) Principles of Consolidation

The consolidated accounts incorporate the assets and liabilities of all entities controlled by Golden Cross Resources (Parent Entity) as at 30 June 2003 and the results of all controlled entities for the year then ended. Golden Cross Resources Ltd and its controlled entities are together referred to in this financial report as the Golden Cross Group. The effects of all transactions between entities in the economic entity are eliminated in full.

(b) Foreign Currency

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the transaction date. At balance date, amounts payable to and by the Company in foreign currencies have been translated to Australian currency at rates of exchange ruling at that date. Resulting exchange differences are brought to account in determining the profit or loss for the year.

Hedging of foreign currency revenue and/or expenditures is not undertaken.

(c) Acquisition of Assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition. Where shares are issued in an acquisition, the value of the shares is determined having reference to the fair value of the assets or net assets acquired, including goodwill or discount on acquisition where applicable.

Costs relating to the acquisition of new areas of interest are classified as either exploration and evaluation expenditure, development properties or mine properties based on the stage of development reached at the date of acquisition.

(d) Cash

For the purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(e) Inventories

Inventories of consumable supplies and spare parts expected to be used in production are valued at weighted average cost. Obsolete or damaged inventories of such items are valued at net realisable value. A regular and ongoing review is undertaken to establish the extent of surplus items, and a provision is made for any potential loss on their disposal.

Insurance and capital (or circulating) spare parts are capitalised and depreciated over the same remaining life as the equipment with which they are associated.

(f) Property, Plant and Equipment

Property, plant and equipment are included at cost. Depreciation is provided on a diminishing value basis on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value at the end of the useful lives of the assets, over those estimated useful lives. The expected useful lives are as follows:

Plant and equipment 4 years

Motor vehicles 4 years

(g) Exploration and Evaluation Costs

Exploration and evaluation expenditure on exploration tenements and rights to farm-in are accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Exploration expenditure for each area of interest is carried forward as an asset provided one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable mineral resources, and active and significant operations in relation to the area are continuing.

Exploration expenditure that fails to meet at least one of the conditions outlined above is written off or a provision made.

Provisions are made where farm-in partners are sought and there is a possibility that carried-forward expenditures may have to be written off in the future. In the event that farm-in agreements are reached or the Company undertakes further exploration in its own right on those properties, the provisions would be reviewed and if appropriate, written back.

Evaluation for each area of interest/mineral resource is carried forward, but only to the extent its recoupment out of revenue to be derived from the relevant area of interest/mineral resource, or from sale of that area of interest, is reasonably assured.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off. Expenditure is not carried forward in respect of any area of interest unless the Company's right of tenure to that area of interest is current.

Identifiable exploration assets acquired from another mining company are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 1015 Accounting for the Acquisition of Assets. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the above conditions is met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

cont...

(h) Mine Properties

Mine properties represent the accumulation of all exploration, evaluation and development expenditure incurred by or on behalf of the entity in relation to areas of interest in which mining of a mineral resource has commenced.

When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation of costs are provided on the unit-of-production method with separate calculations being made for each mineral resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of the economically recoverable mineral reserves. Development costs still to be incurred in relation to the current reserves are included in the amortisation calculation.

The net carrying value of each mine property is reviewed regularly and, to the extent to which this value exceeds its recoverable amount, that excess is either fully provided against or written off in the financial year in which this is determined.

(i) Intangible Assets and Expenditure Carried Forward

Goodwill

On acquisition of some, or all, of the assets in another entity or, in the case of an investment in a controlled entity, the identifiable net assets acquired are measured at fair value. In determining the fair value of any identifiable exploration assets acquired, and in allocating the cost of acquisition of them, all risks relating to such assets are considered. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired, including any liability for restructuring costs, is brought to account as goodwill and amortised on a straight line basis over 20 years, being the period during which the benefits are expected to arise. The cost of acquisition is discounted as described in Note 1(c) where settlement of any part of cash consideration is deferred.

(j) Other Creditors

These amounts represent liabilities for goods and services provided to the economic entity prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(k) Non-Current Assets

Recoverable amount of non-current assets

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs.

The expected net cash flows included in determining recoverable amounts of non-current assets are discounted to their present values using a market determined, risk-adjusted discount rate.

Revaluations of non-current assets

Subsequent to initial recognition as assets, land and buildings, including those classified as investment properties, are measured at fair value being the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction. Revaluations are made with sufficient regularity to ensure that the carrying amount of each piece of land and each building does not differ materially from its fair value at the reporting date. Annual assessments are made by the directors, supplemented by independent assessments at least every three years.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net profit or loss, the increment is recognised immediately as revenue in net profit or loss.

Revaluation decrements are recognised as expenses in net profit or loss, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Potential Capital Gains Tax is not taken into account in determining revaluation amounts unless it is expected that a liability for such a tax will crystallise.

Employee Entitlements

Wages and Salaries, Annual Leave and Sick Leave

In accordance with the revised AASB 1028 employee entitlements, liabilities for wages, salaries, annual leave and sick leave (regardless of whether they are expected to be settled within 12 months of the reporting date) and other employee benefits expected to be settled within 12 months of the reporting date are measured at their nominal amounts, using the remuneration rates expected to be paid when these obligation are settled. The previous standard used in the 30 June 2002 financial statements valued employee entitlements at current remuneration rates within 12 months of the report date.

Long Service Leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

cont...

(l) Restoration, Rehabilitation and Environmental Expenditure

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are accrued at the time of those activities and treated as exploration and evaluation expenditure.

Expenditures relating to ongoing rehabilitation and restoration programs are provided for or charged to costs of production as incurred. Other restoration costs are accrued over the life of the mine.

Restoration rehabilitation and environmental obligations recognised include the costs of reclamation, plant and waste site closure and subsequent monitoring of the environment.

Costs are estimated on the basis of current undiscounted costs, current legal requirements and current technology.

Estimates of future costs are reassessed at least annually. Changes in estimates relating to areas of interest in the exploration and evaluation phase are dealt with retrospectively, with any amounts that would have been written off or provided against under the accounting policy for exploration and evaluation immediately written off. Changes in estimates of costs relating to producing areas are dealt with prospectively over the remaining mine life.

(m) Income Tax

Tax effect accounting procedures are followed whereby the income tax expense in the statement of financial performance is matched with accounting profit (after allowing for permanent differences). Income tax on net cumulative timing differences is set aside to the deferred income tax and future tax benefit accounts at the rates which are expected to apply when those timing differences reverse. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation.

(n) Maintenance and Repairs

Maintenance, repair costs and minor renewals are expensed as incurred.

(o) Earnings per Share

Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weight averaged number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(p) Commitments for Expenditure

The Company has certain obligations to perform minimum exploration work in the next twelve months on tenements held. Details of these commitments are set out in Note 20.

(q) Revenue Recognition

Revenue consists primarily of interest revenue that is brought to account on an accruals basis.

2. REVENUE

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Revenue from operating activities				
Exploration Rights	65	70	-	-
Total Revenue	**65**	**70**	**-**	**-**
Revenue from outside the operating activities				
Interest Received/Receivable	39	29	31	22
Other Revenue	24	4	-	-
Total Revenue	**63**	**33**	**31**	**22**
Subtotal	**128**	**103**	**31**	**22**

Details of provisions are shown in Notes 11 and 12.

3. OPERATING PROFIT/(LOSS)

Loss from ordinary activities before income tax includes the following specific net gains and expenses:

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
NET GAINS AND EXPENSES				
Depreciation				
Plant and equipment	10	3	-	-
Amortisation				
Goodwill	3	2	-	-
Exploration and Evaluation				
Capital expenditure written off	231	87	-	-
Carrying amount of disposal in joint venture	116	-	-	-
Provision for diminution of exploration properties	4,288	-	-	-
Operating Lease				
Rental expense	53	50	-	-
Other charges against assets				
Write down receivable of inter-company loan	-	-	235	1,712
Write down investment in subsidiary	-	-	2,990	-
Other items				
Employee entitlements	122	94	-	-
Audit fees	22	17	15	11
Insurance	38	19	38	19
Stock exchange fees	22	23	22	23
Other	127	32	105	33
Total	5,033	327	3,405	1,798

4. INCOME TAX

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Note 4(a)				
The income tax expense for the financial year differs from the amount calculated on the loss. The differences are reconciled as follows:				
Operating loss before tax	4,905	224	3,374	1,776
Income tax @ 30%	(1,472)	(67)	(1,012)	(533)
Tax effect of permanent differences				
Non-deductibles	1,118	6	976	517
Provision for investment writedown				
Income tax adjusted for permanent differences	(354)	(61)	(36)	(16)
Future income tax benefit not recognised	354	61	36	16
Income tax expense	-	-	-	-
Note 4 (b)				
The Directors estimate that the potential future income tax benefit at 30 June 2003 in respect of tax losses not brought to account is as follows:				
at 30%	2,817	2,463	262	226

This benefit for income tax losses will only be obtained if:

(i) the consolidated group of companies derives future assessable income of a nature and of an amount to enable the benefit from the deductions for the losses to be realised; or

(ii) the losses are transferred to an eligible subsidiary in the consolidated group; and

(iii) the consolidated group of companies continue to comply with the conditions for deductibility imposed by tax legislation; and

(iv) no changes in tax legislation adversely affect the consolidated group of companies in realising benefit from the deductions from the losses.

(v) the revised version of AASB 1020 has not been adopted early for the purposes of this annual financial report. References to AASB 1020 in the main body of this publication are to the October 1989 version of the standard.

5. CURRENT ASSETS - CASH ASSETS

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	145	250	125	262
Deposits at call (a)	901	551	901	551
	1,046	801	1,026	813
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:				
Balances as above	1,046	801	1,026	813
Balances per statement of cash flows	1,046	801	1,026	813

Deposits at call

(a) The deposits are bearing variable interest rates that at year-end were 4.25% (2002: 4.50%).

6. CURRENT ASSETS - OTHER

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Other debtors	64	52	40	32
Security deposits (a)	281	278	-	-
	345	330	40	32

(a) Security deposits are required by government legislation as a prerequisite to exploration.

The deposits are bearing floating interest rates between 3.00% and 5.00% (2002: between 3.00% and 5.00%).

7. NON-CURRENT ASSETS - RECEIVABLES

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Amounts owed by controlled entities	-	-	12,028	10,440
Other receivables	-	-	-	-
	-	-	12,028	10,440

8. NON-CURRENT ASSETS - EXPLORATION PROPERTIES, PLANT AND EQUIPMENT

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Exploration Properties				
Exploration Assets				
Costs brought forward	15,796	13,541	1	1
Expenditure incurred during the year	1,290	1,443	-	-
Exploration assets acquired through share issues	30	166	-	-
Expenditure written off during the year	(231)	(87)	-	-
Provision for diminution of exploration properties	(4,288)	-	-	-
Additions through acquisition of entity	-	733	-	-
Costs carried forward	12,597	15,796	1	1
Costs incurred on current areas of interest				
- Adelong	575	908	-	-
- Breadalbane	76	12	-	-
- Kempfield	66	61	-	-
- Parkes	62	2	-	-
- Sunny Corner	55	1	-	-
- Pipeline/Canbelego	54	107	-	-
All other properties	348	344	-	-
	1,290	1,443	-	-
Total exploration properties	12,597	15,796	1	1
Plant and Equipment				
Carrying amount at 1 July 2002	333	10	-	-
Expenditure incurred during the year	175	272	-	-
Additions through acquisition of entity	-	67	-	-
Disposals	(10)	(13)	-	-
Depreciation/amortisation expense	(10)	(3)	-	-
Carrying amount at 30 June 2003	488	333	-	-
	13,085	16,129	116	1

Valuation of Exploration Properties

The basis of valuation of exploration and evaluation assets is the current market price for equivalent properties, the geological potential and the probability of present value being derived from individual recognised areas of mineralisation.

Details of the economic entity's exploration tenements are disclosed at the back of the Annual Report.

At year-end there were several areas of interest for which a farm-in partner was being sought. While there are reasonably-held expectations of such farm-in partners being found, Directors deemed it prudent to raise provisions of 50% of the previously carried-forward values against the possibility that farm-in partners will not be found and the likelihood that carried forward expenditures will need to be written down in the future.

In 2003, the provision amounted to $4.29 million. In the event that farm-in agreements are reached or if GCR undertakes further exploration in its own right on those properties, the provisions will be reviewed and if appropriate, written back.

9. NON-CURRENT ASSETS - INTANGIBLES

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Goodwill on consolidation	12	19	-	-
Less: Accumulated amortisation	(3)	(7)	-	-
	9	12	-	-

10. CURRENT LIABILITIES - PAYABLES

	CONSOLIDATED			
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Other creditors	150	331	41	18

11. CURRENT LIABILITIES - PROVISIONS

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Provision for Annual Leave (See Note 21)	35	26	-	-
Convertible note – non-interest bearing *	300	-	300	-
	335	26	300	-

Note: * On 18 July 2003 GCR issued the Investor Group with 5,639,100 shares in consideration of its 5% interest in the Challenger Joint Venture at Adelong, following the exercise by the Investor Group of its convertible note.

12. NON-CURRENT LIABILITIES - PROVISIONS

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Provision for Mine Rehabilitation	140	140	-	-
Provision for Long Service Leave (Note 21)	40	34	-	-
	180	174	-	-

13. NON-CURRENT LIABILITIES

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Loan	98	-	98	-

14. CONTRIBUTED EQUITY

	PARENT ENTITY		PARENT ENTITY	
	2003	2002	**2003**	2002
	Shares	Shares	**$'000**	$'000
	'000	'000		
(a) Issued and paid up				
Ordinary shares	131,737	100,200	19,855	17,969

Movements in issued and paid up ordinary share capital and options of the Company during the past two years were as follows:

Movements in issued and paid up ordinary share capital and options of the Company during the past two years were as follows:

DATE	DETAILS	NO. OF SHARES	ISSUE PRICE CENTS	NO. OF OPTIONS	$'000
1.7.01	Opening Balance	72,950,584		31,075,000	15,240
8.8.01	Issue to employees under SAS, - Note (e)	102,858	7.0		7
	Issued in consideration of geological services	660,000	7.0		47
	Issued in consideration of geological services	100,000	8.0		8
10.8.01	Issue to employees under SAS, - Note (e)	577,300	7.6		44
27.9.01	Placement of shares to raise additional capital	10,000,000	6		600
2.11.01	Issue to employees under SAS, - Note (e)	163,763	8		13
14.12.01	Issue to employees under SAS, - Note (e)	166,667	9		15
	Issued in consideration of geological services	50,000	11.5		6
	Issued in consideration of geological services	100,000	8.4		8
	Issued in consideration of geological services	30,646	8		3
21.12.01	Director's Options – Note (f)			4,200,000	
	Employee Options – Note (c)			325,000	
8.2.02	Issue to employees under SAS, - Note (e)	102,000	12		12
27.2.02	Issued in consideration of Challenger Gold	6,000,000	15		900
	Issued in consideration of geological services	870,000	10		87
	Issued in consideration of tenements	400,000	15		60
	Issued in consideration of Mt Darling tenement	250,000	12.5		30
	Issued in consideration of access rights	50,000	15		7
	Issued in consideration of geological services	10,000	15		2
27.3.02	Placement of shares to raise additional capital	2,280,000	12.5		285
			Nil	1,140,000	
	Issued in consideration of geological services	110,925	11.9		13
	Issued in consideration of geological services	41,867	14.2		6
8.5.02	Issue to employees under SAS, - Note (e)	27,500	12		3
4.6.02	Placement of shares to raise additional capital	5,050,000	11		556
	Issued in consideration of geological services	26,923	11.7		3
	Issued in consideration of geological services	44,406	10.1		5
	Issued in consideration of geological services	34,600	12.5		4
28.6.02	Employee options, Note (c)			325,000	
	Closing Balance	100,200,039		48,465,000	17,994
	Less: Transaction costs arising on share issues				(25)
	Balance	100,200,039		48,465,000	17,969
24.7.02	Issued in consideration of geological services	836,550	10.0		83
	Issued in consideration of Cargo royalty	300,000	10.0		30
22.8.02	Expiration of employee options			(580,000)	
26.8.02	Issue to employees under SAS, - Note (e)	118,500	10.0		12
12.9.02	Placement of shares to raise additional capital	2,500,000	7		175
	Placement of options to raise additional capital		2	1,250,000	25
	Issued in consideration of investor relation services	450,000	8.7		39
11.11.02	Issue to employees under SAS, - Note (e)	57,859	7		4
9.12.02	Placement of shares to raise additional capital	3,089,475	5.7		176
	Issued in consideration of geological services	159,421	6.9		11
	Issued in consideration of geological services	10,356	11.1		1
	Director's Options – Note (f)			2,400,000	
20.12.02	Issue to employees under SAS, - Note (e)	897,917	6		54
	Employee options, Note (c)			355,000	
30.12.02	Issue under Share Purchase Plan	7,839,376	5.7		438
31.12.03	Expiry of options			(41,140,000)	
29.1.03	Issue under Share Purchase Plan	14,571,962	5.7		835
	Issued in consideration of geological services	366,062	6.5		24
	Issued in consideration of geological services	258,065	6.2		16
5.2.03	Issue to employees under SAS, - Note (e)	81,430	7		6
25.6.03	Employee options, Note (c)			370,000	
	Director's Options – Note (f)			1,000,000	
	Closing Balance			12,120,000	19,898
	Less: Transaction costs arising on share issues				(43)
	Balance	131,737,012		12,120,000	19,855

(b) Options to take up ordinary shares in the capital of the Company are set out in the above table and the table headed "Information on Directors".

(c) During the year to 30 June 2003 there were 725,000 employee options, exercisable at 10 cents, issued under the Company's Employee Share Option Scheme approved by shareholder at the 2002 Annual General Meeting.

(d) At the date of this report there were 220,000 exercisable at 10 cents by 19.12.2003, 205,000 exercisable at 10 cents by 12.7.2004; 230,000 exercisable at 10 cents by 18.12.2004; 335,000 exercisable at 10 cents by 29.6.2005, 320,000 exercisable at 10 cents by 22.12.2005, 315,000 exercisable by 27.6.2006, 325,000 exercisable by 21.12.06, 325,000 exercisable by 28.6.2007, 355,000 exercisable by 31.12.2007 and 370,000 exercisable by 30.6.08.

(e) The Share Acquisition Scheme, approved by shareholders at the 2002 Annual General Meeting, is described at Note 21. Details of shares issued under the SAS to the Directors and the Exploration Manager are set out in the Directors' Report.

(f) During the year to 30 June 2003 there were 3.4 million Director's Options issued, exercisable at 15 cents (refer Directors' Report).

15. RESERVES

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
(a) Composition:				
Asset revaluation reserve	1,792	1,792	599	599
	1,792	1,792	599	599
Asset revaluation reserve				
Opening Balance	1,792	1,792	599	599
Balance 30 June 2003	1,792	1,792	599	599
(b) Accumulated losses				
Accumulated losses at the beginning of the financial year	(3,001)	(2,777)	(3,360)	(1,584)
Net loss attributable to members of Golden Cross Resources Ltd	(4,905)	(224)	(3,374)	(1,776)
Accumulated losses at the end of the financial year	(7,906)	(3,001)	(6,734)	(3,360)

16. FINANCIAL INSTRUMENTS

(a) Interest rate risk exposure

At balance date, the Golden Cross Group is exposed to floating weighted average interest rates for financial assets of 0.21% on $145,365 cash balances, 4.25% on $900,554 deposits at call, and between 3.00% and 5.00% on $281,200 security deposits.

All other financial assets and liabilities are non-interest bearing.

(b) Net fair value of financial assets and liabilities

The net fair value of all monetary financial assets and financial liabilities of the Golden Cross Group approximate their carrying value.

There are no off balance sheet financial assets and liabilities at year-end.

All financial assets and liabilities are denominated in Australian dollars.

(c) Credit risk exposures

The credit risk on financial assets of the consolidated entity which have been recognised on the balance sheet is generally the carrying amount, net of any provisions for doubtful debts.

(d) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying amounts.

17. REMUNERATION OF DIRECTORS

	DIRECTORS OF ENTITIES IN THE CONSOLIDATED ENTITY		DIRECTORS OF PARENT ENTITY	
	2003	2002	**2003**	2002
	$	$	**$**	$
Income paid or payable, or otherwise made available, to directors by entities in the economic entity and related parties in connection with the management of the affairs of the parent entity or its controlled entity	326,463	302,123	326,463	302,123

The number of parent entity directors whose emoluments, both directly and indirectly, from the parent entity or related bodies corporate was within the specified bands are as follows:

$	**2003**	2002
10,000 – 19,999	-	1
20,000 – 29,999	1	-
30,000 – 39,999	2	1
40,000 – 49,999	-	1
50,000 – 59,999	-	-
60,000 – 69,999	1	1
70,000 – 79,999	1	-
90,000 – 99,999	1	-
130,000 – 139,999	-	1

The emoluments disclosed above include salary, options, payments to related parties and other benefits. See Note 21 for details of salary sacrifice by Directors through participation in the Golden Cross Employee Share Acquisition Scheme. See the Directors Report for details of options granted to Directors. See Note 22 for payments to related parties of the Directors.

18. REMUNERATION OF EXECUTIVES

	EXECUTIVE OFFICERS OF THE CONSOLIDATED ENTITY		EXECUTIVE OFFICERS OF THE PARENT ENTITY	
	2003	2002	**2003**	2002
	$	$	**$**	$
Remuneration received, or due and receivable, from entities in the consolidated entity and related parties by Australian based executive officers (including directors) whose remuneration was at least $100,000				
Executive officers of the parent entity	-	136,770	-	136,770
Executive officers of other entities in the consolidated entity	127,438	128,862	-	-
	127,438	265,632		136,770

The numbers of executive officers (including directors) whose remuneration from entities in the consolidated entity and related parties was within the specified bands are as follows

	EXECUTIVE OFFICERS OF THE CONSOLIDATED ENTITY		EXECUTIVE OFFICERS OF THE PARENT ENTITY	
	2003	2002	**2003**	2002
	$	$	**$**	$
90,000 – 99,999	1	-	1	-
100,000 - 109,999	-	-	-	-
110,000 - 119,999	-	-	-	-
120,000 - 129,999	1	1	-	-
130,000 - 139,999	-	1	-	1

19. REMUNERATION OF AUDITORS

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$	$	**$**	$
Remuneration for audit or review of the accounts and consolidated accounts of Golden Cross Resources Ltd				
Auditors of parent entity				
- Parent entity	14,587	10,580	14,587	10,580
- Controlled entity	7,000	6,000	-	-
	21,587	16,580	14,587	10,580

20. COMMITMENTS FOR EXPENDITURE

Commitments in relation to non-cancelable operating leases contracted for are payable as follows:

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Operating Leases				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Not later than 1 year	41	55	-	-
Later than 1 year but not later than 2 years	-	55	-	-
Commitments not recognised in the financial statements	41	110	-	-
Exploration Commitments				
In order to maintain current rights of tenure to exploration tenements, the economic entity has the following discretionary exploration expenditure requirements up until expiry of the leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:				
Not later than one year	424	685	-	-
Later than one year but not later than 2 years	97	99	-	-
	521	784	-	-

If the economic entity decides to relinquish certain leases and/or does not meet these joint venture or annual exploration expenditure obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

21. EMPLOYEE ENTITLEMENTS

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Provision for employee entitlements				
Current (Note 11)	35	26	-	-
Non-current (Note 12)	40	34	-	-
Aggregate employment entitlement liability	75	60	-	-

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	Number	Number	Number	Number
Average number of employees during financial year	7	7	7	7

The amounts for long service leave and superannuation are measured at their present values.

GOLDEN CROSS EMPLOYEE SHARE ACQUISITION SCHEME (SAS)

The SAS, re-approved by shareholders at the 2002 Annual General Meeting, enables the Company to conserve cash by remunerating its employees and Directors in shares instead of cash. During part of the year in review two Directors participated in the SAS, as follows: Kerry McHugh - $10,000 (166,667 shares) and David Timms - $43,875 (731,250 shares). The above share issues were approved by special resolutions of shareholders. Participation in the SAS was also offered to all employees in respect of up to half of their remuneration on a quarterly basis, with elections to be made by employees during the first month of each quarter. The issue price of the shares is equal to the weighted average price of GCR shares for the three months immediately preceding the issue date, rounded to the nearest cent. Details of shares issued are set out in Note 14.

The total number of shares issued under the SAS and held in trust must not exceed 15% of the total number of GCR's issued shares at any time, and those shares issued under the SAS in any year must not exceed 7.5% of the total number of GCR's issued shares.

GOLDEN CROSS RESOURCES EMPLOYEE SHARE OPTION PLAN

The Golden Cross Resources Employee Option Plan was re-approved by shareholders at the 2002 Annual General Meeting. All full-time employees (including executive directors) of Golden Cross Resources Ltd and its controlled entity who have been continuously employed by the Company or its controlled entity for a period of two years are eligible to participate in the plan. Subject to the above, 10% of the options vest after one year from the date of grant of the options, 25% after two years, 45% after three years, 70% after four years and 100% after five years from the date of grant.

Refer to Note 14 for details of options issued during the year. The number of shares in respect of which options are on issue at any time must not exceed 5% of the issued capital of the Company at that time.

22. RELATED PARTIES

Directors

The names of persons who were directors of Golden Cross Resources Ltd at any time during the financial year were Christopher Ryan, David Timms, Kerry McHugh, Daven Timms, Lex Hansen and Erwin Clayton. Lex Hansen ceased to be a director on 11 October 2002 and Erwin Clayton ceased to be a director on 20 June 2003.

Remuneration and Service Agreements

Information on remuneration of directors and service agreements with directors is disclosed in the Directors Report and in Note 17.

The Company engaged the consulting services of a number of Directors through their companies, at commercial daily rates of charge, as follows:

Name of Director	Related Party Paid	Consulting Service Provided	Total amount paid during year
Daven Timms	Resources Legal Pty Ltd	Legal and company secretarial	$67,820
Lex Hansen	Nessgrove Pty Ltd	Business development	$12,500
Kerry McHugh	Barkly Adams Pty Ltd	Business development	$10,000
Christopher Ryan	Westchester Corporate Finance	Financial	$7,500

Loans to Directors and Director-Related Entities

There were no loans to directors or director-related entities during or subsequent to the year ended 30 June 2003.

Transactions of Directors and Director-Related Entities concerning Shares or Share Options

Details of shares and share options of Golden Cross Resources Ltd acquired by directors or their director-related entities from the Company during or subsequent to the year ended 30 June 2003 are described in the Directors' Report. There were no shares or share options disposed by directors during or subsequent to the year ended 30 June 2003. The number of shares and share options held by directors at 30 June 2003 are set out in the Directors' Report.

Aggregate numbers of shares and share options of Golden Cross Resources Ltd held directly, indirectly or beneficially by directors or their director-related entities at balance date and at the date of the Directors' declaration are as follows:

	2003		2002
	Balance Date	**30 June**	Balance date and 30 June
Ordinary shares	18,544,667	18,406,652	13,785,859
Options over ordinary shares	4,950,000	4,500,000	4,200,000

Other Transactions of Directors and Director-Related Entities

During the year neither the Company nor its controlled entity entered into any transactions whatsoever with the directors or any director, related entities other than remuneration disclosed elsewhere in this report.

Wholly Owned Group

The wholly-owned group consists of Golden Cross Resources Ltd and its wholly-owned controlled entities, Golden Cross Operations Pty Ltd and Challenger Gold Limited. Ownership interests in these controlled entities are set out in Note 24. Golden Cross Resources Ltd is the ultimate parent entity.

Transactions between Golden Cross Resources Ltd and related parties in the wholly-owned group during the year ended 30 June 2003 and 2002 consisted of:

- loans advanced by Golden Cross Resources Ltd; and
- loans repaid to Golden Cross Resources Ltd.

Aggregate amounts receivable from related parties in the wholly-owned group at balance date were as follows. These loans are non-interest bearing:

	PARENT ENTITY	
	2003	2002
	$'000	$'000
Loans advanced to controlled entities	12,028	10,440

23. INVESTMENT IN CONTROLLED ENTITIES

Name of Entity	**Country of Incorporation**	**Class of Shares**	**Cost of Parent Entity's Investment**		**Equity Holding**		**Contribution to Consolidated Operating Profit/(Loss) After Tax**	
			2003	2002	**2003**	2002	**2003**	2002
			$'000	$'000	**%**	%	**$'000**	$'000
Parent Entity								
Golden Cross Resources Ltd							(3,374)	(1,776)
Controlled Entities								
Golden Cross Operations Pty Ltd	Australia	Ordinary	-	2,990	100	100	(4,905)	(157)
Challenger Gold Limited*	Australia	Ordinary	950	950	100	100	-	-
			950	3,940				

24. SEGMENT INFORMATION

The economic entity operates in the one industry and in one geographical area, namely Australian mineral exploration, evaluation and development. The assets, liabilities and results of this entity are disclosed in the statements of financial position and statements of financial performance contained in these financial statements.

25. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES AFTER INCOME TAX

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Operating profit/(loss)	(4,905)	(224)	(3,374)	(1,776)
Depreciation and amortisation	10	5	-	-
Write down of inter company receivable	-	-	235	1,712
Write down of investment in subsidiary	-	-	2,990	-
Exploration expenditure capitalised	1,551	1,127	-	-
Exploration and evaluation expenditure written off	231	87	-	-
Provision for diminution of exploration properties	4,288	-	-	-
(Increase)/decrease in other debtors	(15)	(20)	(20)	(28)
Increase/(decrease) in creditors	(181)	114	23	9
Increase/(decrease) in non current liability	-	-	-	-
Increase/(decrease) in other provisions	15	13	-	-
Net cash inflow/(outflow) from operating activities	(1,312)	(1,126)	(146)	(83)

26. NON-CASH FINANCING ACTIVITIES

	CONSOLIDATED		PARENT ENTITY	
	2003	2002	**2003**	2002
	$'000	$'000	**$'000**	$'000
Acquisition of mining lease and security deposits by means of shares issued	-	900	-	900
Acquisition of exploration tenements by means of share issue	30	166	-	-
Payment for public relations and technical services by means of share issue	176	137	176	-
Payments to directors and employees under Share Acquisition Scheme	76	81	-	-

27. EARNINGS PER SHARE

	CONSOLIDATED	
	2003	2002
	Cents	Cents
Basic and diluted earnings per share	(4.215)	(0.258)
	2003	2002
	No of Shares	No of shares
Weighted average number of ordinary shares during the year used in the calculation of basic earnings per share	116,034,032	85,668,516
	2003	2002
	$'000	$'000
Earnings used in calculating basic earnings per share	(4,905)	(224)

Options

Options granted to Directors and Employees are considered to be potential ordinary shares. However, diluted earnings per share is the same as basic earnings per share as the potential ordinary shares would reduce the loss per share. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 14.

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 19 to 38:

i. Comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

ii. Give a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2003 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the Directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

David Timms, Managing Director

Sydney, 3 September 2003

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF GOLDEN CROSS RESOURCES LTD

AUDIT OPINION

In our opinion, the financial report, set out on pages 19 to 38:

- presents a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of Golden Cross Resources Limited and the Golden Cross Resources Group (defined below) as at 30 June 2003 and of their performance for the year ended on that date
- is presented in accordance with the Corporations Act 2001, Accounting Standards and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001

This opinion must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

SCOPE AND SUMMARY OF OUR ROLE

The financial report - responsibility and content

The preparation of the financial report for the year ended 30 June 2003 is the responsibility of the directors of Golden Cross Resources Limited. It includes the financial statements for Golden Cross Resources Limited (the Company) and for the Golden Cross Resources Group (the Group), which incorporates Golden Cross Resources Limited and the entities it controlled during the year ended 30 June 2003.

The auditor's role and work

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company. Our role was to conduct the audit in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our audit did not involve an analysis of the prudence of business decisions made by the directors or management.

In conducting the audit, we carried out a number of procedures to assess whether in all material respects the financial report presents fairly a view in accordance with the Corporations Act 2001, Accounting Standards and other mandatory reporting requirements in Australia, and the Corporations Regulations 2001, which is consistent with our understanding of the Company's and the Group's financial position, and their performance as represented by the results of their operations and cash flows.

The procedures included:

- selecting and examining evidence, on a test basis, to support amounts and disclosures in the financial report. This included testing, as required by auditing standards, certain internal controls, transactions and individual items. We did not examine every item of available evidence
- evaluating the accounting policies applied and significant accounting estimates made by the directors in their preparation of the financial report
- obtaining written confirmation regarding material representations made to us in connection with the audit
- reviewing the overall presentation of information in the financial report.

Our audit opinion was formed on the basis of these procedures.

Independence

As auditor, we are required to be independent of the Group and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the Corporations Act 2001 and the Auditing and Assurance Standards Board.

PricewaterhouseCoopers

Chartered Accountants

P Buchholz — Sydney

Partner — 3 September 2003

INTERESTS IN MINING TENEMENTS

At 2 September 2003. All tenements are in NSW, with the exception of Laverton, which is in WA.

PROPERTY	TENEMENT	TENEMENT (1)	AREA (sq km)	HOLDER (2)	PERCENT HOLDING	JOINT VENTURE PARTNER (2)
Adelong	Challenger	ML 1435	1.5	CGL	100	
	Batlow	EL 5728	80	CGL	100	
	Batlow South	EL 5995	220	GCO	100	
	Mineral Claims	13 MCs	Held in trust for CGL by GCR, GCO and employees			
Kempfield	Kempfield	EL 5748	120	GCO	100	
	Bean Lease	PLL 519	0.66 ha	GCO	100	
	Henrys' Leases	ML 4870, PLL 517, PLL 727, PLL 728	2.4 ha	GCO	Option	Option to purchase 100% for $300,000.
	Kempfield Group 2	EL 5645	20	GCO	100	
Broken Hill	Broken Hill	EL 5784	140	GCO	100	Sipa (3), GCap (4)
	Mount Darling Creek	EL 5772	280	GCO	100	Sipa (3), GCap (4)
	Little Darling Creek	MC 159	2 ha	GCO	100	Sipa (3), GCap (4)
	Thackaringa	EL 6086	65	GCO	100	Sipa (3), GCap (4)
	Corruga	EL 6109	38	GCO	100	Sipa (3), GCap (4)
	Farmcote	EL 6110	3	GCO	100	Sipa (3), GCap (4)
	Sisters	ELA 2142	3	GCO	100	
Copper Hill	Copper Hill	EL 2290	25	GCO	100	
	Copper Hill West	EL 5722	45	GCO	100	
West Wyalong	West Wyalong	EL 5915	230	GCO	100 (5)	
Cargo	Cargo	EL 5238	60	GCO	100	Falcon (6)
	Belubula	EL 6084	420	GCO	100	Falcon (6)
Yellow Mountain	Yellow Mountain	EL 5721	280	GCO	100	Triako (7)
	Melrose	EL 5787	30	GCO	100	Triako (7)
Cobar Region	Wagga Tank	EL 5130	330	GCO	100	
	Pipeline/Canbelego	EL 5842	216	GCO	100 (8)	Polymetals (9)
	Byrock	EL 6115	120	GCO	100	
Parkes	Parkes	EL 6087	250	GCO	100	
	McPhails	Former ML 1387	13 ha	GCO	90 (10)	
	Trewilga	ELA 2146	52	GCO	100	
South Gilmore	Gundagai	EL 5791	28	GCO	100	
	Mt Adrah	EL 5889	50	GCO	100	
	Eurongilly	EL 5814	220	GCO	100	
	Basin Creek	ELA 2116	53	GCO	100	
Eastern NSW	Breadalbane	ELA 2056	150	GCO	100	
	Sunny Corner	EL 5964	110	GCO	100	
	Sunny Corner South	ELA 2155	20			
		Total	3659.5			
ROYALTIES						**ROYALTY TYPE**
Laverton	Merolia	E 38/970	25	Desert Expl.	Royalty	2% gross production.
McPhails	McPhails	EL 5830	10	Alkane	Royalty (11)	Up to 5% nsr.

Notes:

(1) Full titles for abbreviations in Tenement column are as follows:

EL or E	Exploration Licence
ELA	Exploration Licence Application
ML	Mining Lease
MC	Mineral Claim
PLL	Private Lands Lease

(2) Full Names for abbreviated names of Tenement Holders and Joint Venture Partners are as follows:

Alkane	Alkane Exploration Limited
CGL	Challenger Gold Limited, a wholly-owned subsidiary of Golden Cross Resources
Desert Expl.	Desert Exploration Pty Ltd
GCO	Golden Cross Operations Pty Ltd, a wholly-owned subsidiary of Golden Cross Resources
Sipa	Sipa Exploration NL
Triako	Triako Resources Limited
Falcon	Falcon Minerals Limited
GCap	Gravity Capital Limited
Polymetals	Polymetals Limited

(3) Sipa may earn a 70% interest in Broken Hill tenements by completing a bankable feasibility study by 2.5.2008.

(4) GCap may earn a 51% interest in GCR-Sipa JV ground by completing a bankable feasibility study on nominated target areas by 31.1.2007.

(5) Subject to 2.5% net smelter return royalty held by Lac Minerals (Australia) NL, subsidiary of Barrick Gold Corp.

(6) Falcon may earn a 70% interest in Cargo tenements by spending $3 million by 3.9.2006.

(7) Triako may earn up to a 70% interest in Yellow Mountain tenements by spending $1.3 million by 19.10.2005

(8) Various portions are subject to a 10% free carried interest held by Metallic Resources P/L, a 5% net profits interest payable to Nosebi Mining & Management P/L and a 5% net profits interest payable to Polymetals P/L.

(9) Polymetals exploring 75 sq km Canbelego area for open-pittable resources of gold and silver, with any open-pittable ore mined to be shared 50:50 between GCO and Polymetals.

(10) GCO holds a 90% equitable interest in the area of former ML 1387 "McPhails", consisting of 13 hectares. Metallic Resources Pty Ltd holds a 10% free carried interest.

(11) GCO holds a royalty of 75 cents/tonne (first 0.5 Mt), then 3% net smelter return (to 150,000 oz), then 5% net smelter return. GCO's royalty interest is subject to a 10% free carried interest held by Metallic Resources Pty Ltd.

SHAREHOLDER INFORMATION

The shareholder information set out below was correct at 28 August 2003.

A. DISTRIBUTION OF SHARES

Holding Range			Holders	Total Held	%
1	-	1,000	18	12,653	0.01
1,001	-	5,000	215	895,757	0.65
5,001	-	10,000	184	1,640,327	1.19
10,001	-	100,000	562	25,197,089	18.33
100,001	+		237	109,696,286	79.81
Total			**1,216**	**137,442,112**	**100.00**

(b) There were 288 holders of less than a marketable parcel of fully paid shares (less than $500 worth) based on the closing price of 6 cents per share.
(c) The twenty largest shareholders held 42.16% of the shares on issue.
(d) There were 3 million employee options on issue (ex. 10 cents by 25.6.2008 - see page 23 for details), held by five employees.
(e) There were 7.6 million directors' options on issue (ex. 15 cents by 30.11.2006).

B. RESTRICTED SECURITIES

The Company had no restricted securities on issue.

C. SUBSTANTIAL SHAREHOLDERS

The only substantial shareholders in the Company are as follows:

Name	No. of Shares Held	%
David Timms	17,269,070*	12.56

D. VOTING RIGHTS

One vote for each ordinary share held in accordance with the Company's Constitution.

Options do not carry voting rights.

E. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest registered holders of fully paid ordinary shares are listed below:

	Name	No. Held	%
1	David Timms	15,346,020*	11.16
2	Metallic Resources Pty Ltd	5,537,719	4.03
3	Mr Arnold & Mrs Ruth Getz	3,660,653	2.66
4	Aurcay Holdings Inc	3,600,000	2.62
5	Golden Cross Plan Managers	3,144,657	2.29
6	Sipa Resources International NL	3,000,000	2.18
7	Mr John Dennis Quirk	2,750,000	2.00
8	Cyprus Amax Australia	2,695,556	1.96
9	Guardian Trust Australia Ltd	2,599,000	1.89
10	Fortis Clearing Nominees P/L	2,300,000	1.67
11	Ledge Finance Ltd	2,087,719	1.52
12	Mr Robert Cameron Galbraith	2,083,429	1.52
13	Wythenshawe Pty Ltd	2,082,444	1.52
14	Mesuta Pty Ltd	1,500,000	1.09
15	Mr Hugh Thomas Fairley	1,401,616	1.02
16	Orchid Capital Limited	1,000,000	0.73
17	Jovian Investments Limited	1,000,000	0.73
18	Mr Colin Glanville Young	1,000,000	0.73
19	Adamson-McKellar Pty Ltd	900,000	0.66
20	Wakefield Investments Pty Ltd	850,000	0.62
	TOTAL	57,948,811	42.16

Note *David Timms' substantial shareholding includes relevant interests in shares held by Golden Cross Plan Managers and Jennifer Timms, and differs from his registered shareholding.

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