

QUARTERLY REPORT SEPTEMBER 2003

24 October 2003

GCR is a gold, silver and base metals explorer, searching in NSW for large deposits in highly prospective mineral belts, providing significant potential upside for the speculative investor.

The Company holds significant mineral tenement positions within the highly prospective Lachlan Fold Belt, which contains Cadia-Ridgeway, the highest gold-site revenue earner in Australia. GCR also holds a major land position in the Curnamona Province of western NSW, which contains the world class Broken Hill orebody, the largest deposit of its type in the world.

HIGHLIGHTS

SUNNY CORNER

- Extensive mineralisation in large structural corridor with anomalous soil geochemistry over 2km strike length.
- Best result from first drilling programme of 50m at 6% combined copper-lead-zinc, 1 g/t gold and 45 g/t silver, including 14m at 17% copper-lead-zinc, 3.5 g/t gold and 144 g/t silver.
- Second RC drilling programme has commenced.

BROKEN HILL

- Farm-in partner GCap plans to drill at least one gravity anomaly (Tip anomaly) before year end.
- Farm-in partner Sipa aims to drill nickel-platinum prospect before year end.

EURONGILLY

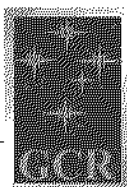
- Encouraging gold and copper intersections in aircore holes at the Kurrajong prospect, which has potential to host both porphyry style gold-copper mineralisation and high sulphidation gold deposits.

NSW MINERS & EXPLORERS CONFERENCE

- GCR hosted the inaugural NSW Miners and Explorers Conference in Sydney and Canberra, with approximately 300 and 100 registrants respectively. GCR intends to expand the conference and make it an annual event. The business name has been registered and several sponsors have expressed interest for 2004.

CAPITAL RAISING

- A placement of 19.8 million shares at 7.7c raised \$1.5 million. GCR's cash reserves are presently \$2.1 million.



Sunny Corner

(near Lithgow, 130 sq km, GCR 100%, gold, silver and base metals)

On 30 September 2003 GCR announced it had received results from the first drilling programme, consisting of 13 RC holes, at its 100%-owned Sunny Corner property near Lithgow, NSW. Results reveal extensive mineralisation in what appears to be a large structural corridor (see Figure 1).

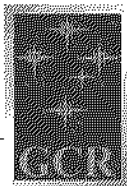
A number of holes contained high grade copper, lead, zinc, gold and silver, with the best intersection being 50m at 6% combined copper-lead-zinc, 1 g/t gold and 45 g/t silver, including 14m at 17% copper-lead-zinc, 3.5 g/t gold and 144 g/t silver.

Sunny Corner – Best Results from First Drilling Programme

Hole No.	AMG East (m)	AMG North (m)	From (m)	Interval (m)	Copper (%)	Lead (%)	Zinc (%)	Gold (g/t)	Silver (g/t)
GSC-01	769150	6302930	22	16	0.2	0.4	1.9	0.03	5
GSC-03	769127	6302864	22	50	0.4	1.8	3.8	1.00	45
Incl			22	14	0.7	6.0	10.4	3.50	144
Incl			22	6	0.3	3.5	5.9	7.85	254
Incl			22	2	0.3	3.2	5.3	20.30	395
Incl			28	8	1.1	7.9	13.7	0.20	61
GSC-04	769137	6302864	50	10	0.2	0.8	1.6	0.02	4
Incl			54	2	0.4	2.1	3.7	0.02	7
GSC-05	769193	6302866	28	14	0.7	2.9	6.2	0.07	23
Incl			30	6	1.4	5.3	11.8	0.13	47
GSC-06	769235	6302866	10	36	0.7	1.8	4.7	0.13	37
Incl			12	6	2.5	0.3	2.0	0.18	87
Incl			18	8	0.7	5.2	13.6	0.11	55
Incl			18	4	1.0	7.3	21.4	0.17	83
GSC-08	769147	6302760	44	30	0.1	0.9	1.4	0.03	4
Incl			44	12	0.2	1.9	2.1	0.03	7
GSC-09	769037	6302760	54	6	-	-	-	0.14	6
GSC-10	769218	6302600	2	10	0.1	0.3	0.1	0.25	6
and			22	98	0.1	0.4	0.9	0.02	2
Incl			22	20	0.2	0.9	2.2	0.03	6
and			116	4	0.4	1.2	2.3	0.03	9

Hole GSC-03 intersected a very high grade base metal zone 14m wide and old workings, within sedimentary rocks, from 22m downhole. This is hosted in a broad halo of highly anomalous mineralisation containing between 0.5% and 3.5% combined copper+lead+zinc. Geological interpretation suggests this mineralisation is hosted in or adjacent to the Sunny Corner Fault. Holes to the north and south along the same fault (GSC-01 and 08) similarly returned anomalous values.

Holes GSC-05 and 06 intersected high grade mineralisation in volcanic rocks. Geological interpretation suggests there are two distinctive and separate fault zones sub-parallel to the Sunny Corner Fault.



Hole GSC-09 was abandoned prior to reaching its target due to poor ground conditions. The final six metres of GSC-09 did however encounter anomalous gold (0.14 g/t) as it approached a major fault target. This fault zone, known as the Rollover Fault, has previously returned continuous rock chip sampling results, from outcrop to the north of GSC-09, of 27.9 g/t gold and 1,270 g/t silver over a 4.5m interval. The Rollover Fault is being drilled for the first time in GCR's second drilling programme, presently underway.

To the south of the Sunny Corner mine hole GSC-10 drilled an extensive zone of highly altered volcanic rock. The hole intersected disseminated sulphide mineralisation averaging 1% combined metal over 98m.

No significant assays were intersected by holes GSC-02, GSC-07 and GSC-11 to 13, however disseminated sulphides were observed with anomalous base metals, and locally up to 0.4 g/t gold.

Summary of First Drilling Programme at Sunny Corner

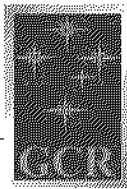
In this first programme GCR intersected three of at least five known, separate and parallel zones of high grade base metals sulphides containing appreciable gold (up to 20 g/t) and silver (up to almost 400 g/t). The zones are interpreted to lie within or adjacent to steep fault structures trending north-south. Holes GSC-03, 05, and 06 all contain massive sulphide mineralisation. Holes GSC-01, 04, 08 and 10 contain sulphide disseminations characteristic of mineralised halos surrounding massive sulphide deposits.

This was the first RC drilling programme at Sunny Corner, and was of a reconnaissance nature with a view to assessing geological controls on the distribution of mineralisation. It is clear that the programme did not test all mineralised structures in the mine area and that systematic drill testing of all north-trending fault structures is required. GCR is encouraged by the results and the second RC drilling programme, consisting of approximately 1,000m, is presently underway to follow-up results of the first programme.

Northern Gold Anomaly

In an announcement dated 9 September 2003, GCR reported that soil geochemical results show that highly anomalous gold and silver mineralisation occurs to the north of the old Sunny Corner mine. This northern gold anomaly was open to the north and preliminary samples of outcropping gossan on the northern soil line returned 3.5 g/t gold, 35 g/t silver and 0.36% lead. Continuous rock chip samples over four to six metre intervals from silicified outcrops in this area consistently returned between 0.1 and 0.6 g/t gold and 0.1 to 1.2% lead.

GCR recently received results from an additional soil sampling programme to the north. Results show that the strong soil anomaly extends a further 650m north of the northernmost soil line of the last survey. The anomaly is partly obscured on the western side because old smelter slag dumps prevented effective sampling of that area. Work to date shows an elongate zone of anomalous soils over a strike length of 2km and width of 200m to 400m.



Eurongilly

(near Junee, 220 sq km, 100 % GCR, copper-gold)

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 another 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 of 0.84% copper (see Figure 2). These holes occur in a magnetic low anomaly 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 Gilmore Suture approximately 100 km to the north is a high sulphidation gold deposit that produced 450,000 ounces of gold in the 1980s.

During October 2003 GCR completed a programme of aircore and RC drilling in 13 vertical holes for 621m. Best results are tabulated below.

Eurongilly – Best Results from First Drilling Programme

Hole No.	AMG East (m)	AMG North (m)	From (m)	Intercept (m)	Gold (g/t)	Copper (%)
KURA-03	568650	6134305	40	10	0.15	0.11
KURA-04	568600	6134260	0	22	0.27	0.05
and	568600	6134260	42	6	0.04	0.46
KURA-05	568500	6134300	24	4	0.13	0.10
and	568500	6134300	32	8	0.09	0.14
KURA-06	568500	6134400	32	4	0.14	0.31
KURA-08	568700	6134350	22	6	0.20	0.01
KURA-12	568900	6134900	42	4	1.42	0.01

Best grades in both historic and GCR drilling indicate that mineralisation may be associated with a large northeast-trending structure where it crosscuts a generally north trending alteration zone. A follow-up aircore drilling programme is scheduled for early 2004.

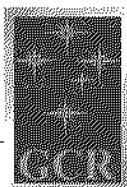


Broken Hill

(520 sq km, GCR 100%, platinum group metals, gold and base metals. JV partner 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)

GCR and its joint venture partner Sipa hold a considerable land position in the Broken Hill district, mostly within 25km of the famous Broken Hill "Line of Lode". In a separate three-way joint venture over the same ground Gravity Capital (GCap) has completed detailed confirmatory ground magnetic and gravity surveys over three nominated FALCON™ Gravity Targets with the joint venture area. It intends to drill test at least one of these, including the Tip anomaly, before year-end.

Interpretation of FALCON™ airborne gravity and detailed low-level airborne magnetic data by Sipa over several key areas has assisted in geological interpretation and target selection. Focus for significant PGM-bearing nickel-copper sulphides associated with ultramafics has shifted to the southern part of the tenement package, where geophysical data indicates that large intrusive bodies occur. Several PGM-rich gossans along the ultramafic trend in the northern part of the package remain to be drill tested.



Canbelego

(part of the Pipeline property near Cobar, totalling 216 sq km, GCR 100%, gold and base metals. Farm-in partner 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)

In an announcement dated 23 September 2003 GCR released results of a second drilling programme at Mt Boppy South. Results confirmed the gold grades and widths intersected in the first programme and reported in GCR's June 2003 quarterly report.

The second programme was designed to infill the first programme and test the northern strike extension of the Mt Boppy South gold veins. Holes were drilled at a declination of -60 degrees and an azimuth of 240 degrees, except for holes SB-18 and SB-19, which were at an azimuth of 60 degrees.

Best results from the second programme are set out below.

Mt Boppy South – Best results from Second Drilling Programme

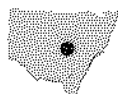
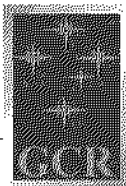
Hole No.	AMG East* (m)	AMG North* (m)	From (m)	Intercept (m)	Gold (g/t)
SB-11	435425	6507185	17	2	1.83
SB-12	435435	6507190	38	3	8.65
and			51	2	5.42
SB-15	435450	6507170	30	5	4.98
SB-17	435425	6507210	Surface	8	5.26
and			26	4	4.26
SB-18	435380	6507220	5	2	2.50
and			24	3	2.10

Note: * Coordinates are approximate only at this stage.

In addition to the nine holes at Mt Boppy South, two exploratory holes were drilled at the Mt Boppy West prospect where the best result was an encouraging 3m at 4 g/t gold.

It has been previously reported that on 28 March 2003 GCR entered into a letter agreement with privately-owned mining company Polymetals Mining Services Pty Ltd for Polymetals to explore GCR's 100%- owned Canbelego Area near Cobar. The agreement provided for any gold and silver-bearing ore, mined from mining leases applied for and granted within the Area, to be shared 50:50 between the parties and to be processed through Polymetals' Mt Boppy processing plant.

Finalisation of a full form agreement has been delayed by differences in interpretation of the letter agreement. The parties are continuing discussions; however doubt now exists as to whether the full form agreement will be completed.



McPhails

(near Peak Hill, 13 ha. GCR holds 90% interest in area of old mining lease and a royalty of up to 5% nsr on the remainder of EL 5830. 10% of the royalty is payable to Metallic Resources Pty Ltd)

Alkane Exploration Ltd has earned a 100% interest in Exploration Licence 5830 where GCR retains a royalty 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.

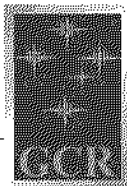
GCR holds a 90% equitable interest in the area of the old McPhails mining lease, consisting of 13 ha in area within EL 5830.

McPhails is located 14 km north along the Newell Highway from Alkane's Peak Hill plant.

Throughout 2003 Alkane conducted intensive drilling on Wyoming One, a porphyry gold prospect straddling the northern boundary of EL 5830. This work 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 that plunges southward into the GCR royalty ground. In an announcement by Alkane on 2 September 2003, it described 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 announcement also noted that further exploration is planned to assess this new zone. This development is very exciting for GCR, as not only does the resource pass through into GCR royalty ground, but GCR owns the area around the McPhails workings 90%. If a structural link between the two is established, the ground has potential to host significant resources.



Adelong

(near Tumut, 300 sq km, GCR 100%, gold)

GCR is finalising a revised feasibility study for the Adelong Gold Project, focussing on the recovery of gold using flotation followed by intense cyanidation of the concentrates. The 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 relatively 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 a potentially saleable clean sand stockpile with the elimination of a cyanide-contaminated tailings dam. Process development testwork undertaken by Metcon Laboratories indicates that a high recovery, low yield, high grade gold concentrate would be achievable. Total gold recovery is expected to be optimised at near 95%.

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.



West Wyalong

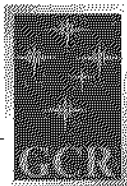
(West Wyalong, 230 sq km, GCR 100% 2% NSR to Barrick, gold-copper)

The West Wyalong licence hosts the West Wyalong Goldfield, which produced over 450,000 ounces of gold in the late 1800s. The licence is also host to a portion of the highly mineralised Gilmore Suture structural zone hosting many old gold mines and a number of prospects containing porphyry copper-gold styles of mineralisation.

GCR considers the western side of the structural zone at West Wyalong 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 0.6g/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 nearest hole lies 650m to the north (Figure 3).

In addition, GCR has undertaken a comprehensive review of the geophysical aspects of the licence, especially the regionally significant coincident gravity and magnetic anomalies overlying the Pines prospect to the southeast of the historic goldfield. Modelling of these anomalies has identified a circular feature approximately 2km in diameter and interpreted to be a major intrusive centre, possibly is associated with collapse of an ancient volcano. Geochemical data collected from aircore holes in the vicinity show the margins of this structure to be highly anomalous.

More detailed aircore drilling is planned to test the significance of this feature with the view to assessing its gold-copper potential.



Wagga Tank

(near Mt Hope, 330 sq km. 100% GCR)

GCR's Wagga Tank licence is located in the southern part of the Cobar Trough in an area of intermixed volcanic and sedimentary rock intruded by later granites and porphyries. The licence hosts numerous mineral occurrences, old prospects and an historical gold mine. It has been the focus of modern mineral exploration activities since the early 1970s. Most work has focused on six main prospects: Wagga Tank, Fenceline, Blue Mountain, Siegals, BMW and the Mt Allen Gold Mine (Figure 4).

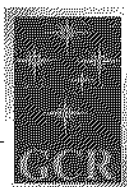
In order to understand the geological setting of the various prospects within the licence, GCR undertook a comprehensive compilation and review of existing exploration data. This work suggested that known mineralisation, especially on the western side of the tenement, was preferentially located at the margins of large circular structures visible in aeromagnetic images.

GCR followed up this work with extensive geochemical sampling of soils using a partial leach technique. Results suggested that not only did the known mineralisation occur peripheral to these structures, but that geochemical zonation occurred from the centre to the periphery of these. Generally, soils in the centre were copper-enriched while on the margins they were lead-zinc-enriched. This style of zonation is suggestive of intrusive porphyry-like geochemical halos. This led GCR to speculate that mineralisation encountered to date by previous explorers was related to intrusive centres and/or flow-dome volcanic complexes possibly associated with caldera collapse after volcanic activity.

In July 2003 Pasminco notified GCR of its intention to withdraw from the joint venture managed by it since September 1999. In its final phases of work Pasminco focussed on the Siegal's Prospect, where drilling in 2002 produced an intersection of 1m at 10.7 g/t gold and 1.18% copper from 79m and 1m at 7.8 g/t gold from 87m. These results are regarded as highly significant because they occur within an altered, sulphide-bearing, high level, porphyry dyke intrusion. In the past, mineralisation in this area was considered to be volcanic-hosted massive sulphide-style, occurring along depositional contacts between sedimentary and volcanic rocks. The rocks from this hole indicate that sulphide mineralisation is genetically related to and controlled by the intrusion, which confirmed ideas proposed by GCR geologists.

Pasminco conducted a review and remodelling of historic IP geophysical data in the Siegals area using the latest inversion software. This indicated potential zones of strong sulphide-bearing material in the southern part of the prospect that is also 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 coming months.



Breadalbane

(near Goulburn, 150 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 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. This includes over 250 line kilometres of induced polarisation geophysical surveys, more than 13,000 soil samples and over 155 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 previously overlooked by other explorers. For example at least three untested anomalies, the Gurrundah North, Greendale and Hannans North prospects have been defined (Figure 5). Further surveys and drilling are required to assess these features. In addition, two drill holes 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.

GCR is currently waiting on the grant of a new licence over the area prior to commencing more detailed field work.

Bright Star

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

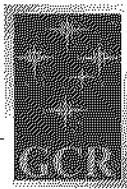
DesertEx recently provided results from a 5,000m RC drilling programme conducted at its Bright Star Prospect near Laverton in Western Australia. GCR holds a 2% gross gold royalty over the property.

Bright Star – Best Results from Recent Drilling Programme

Hole No	Easting (GDA 94) (m)	Northing (GDA 94) (m)	From (m)	Intercept (m)	Gold (g/t)
MMC034	473052	6822616	91	5	4.27
MMC036	473115	6822564	90	14	2.12
MMC042	473236	6822404	13	10	5.65
MMC043	473248	6822420	29	7	2.72
MMC067	473023	6822568	51	4	3.37
MMC075	472737	6822697	65	7	2.31
MMC091	472745	6822709	64	5	3.35

DAVID TIMMS, MANAGING DIRECTOR

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



GCR AT A GLANCE

Directors

Christopher Ryan	Chairman
David Timms	Managing Director
Kerry McHugh	Director
Chris Torrey	Director - Exploration
Daven Timms	Alternate Director & Company Secretary

Registered and Principal Office

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Number of Shareholders

At 30 September 2003 GCR had 1,255 shareholders.

Major Shareholders

The share register records the following as major shareholders (greater than 1%) at 30 September 2003 *

	%
1. David Timms	11.16
2. Metallic Resources Pty Ltd	4.03
3. Arnold and Ruth Getz	2.78
4. Aurcay Holdings Inc	2.62
5. John Dennis Quirk	2.39
6. Golden Cross Plan Managers	2.29
7. Sipa Resources International	2.18
8. Cyprus Amax Australia	1.96
9. Guardian Trust Australia Ltd	1.89
10. Robert Cameron Galbraith	1.52
11. Wythenshawe Pty Ltd	1.52
12. Ledge Finance Ltd	1.46
13. Fortis Clearing Nominees	1.16
14. Mesuta Pty Ltd	1.09

Note: * The allottees from the recent placement of 19.8M shares have not been included in the above table, as processing of the applications is still underway.

Cash Balance

At 24 October GCR's cash balance was \$2.1 million.

ASX Listing Code

The Company's ASX listing code is GCR.

Issued Capital

At 24 October 2003 GCR's issued capital was 157,242,112 ordinary shares, 1,250,000 options exercisable at 12.5 cents by 1.1.06, 3 million employee options exercisable at 10 cents by 25.06.2008 and 7.6 million Directors' options exercisable at 15 cents by 30.11.2006.

Shareholder Enquiries

Matters relating to shares held and change of address should be directed to the share registry:

Registries Limited
Level 2, 28 Margaret Street
Sydney NSW 2000
Ph: (02) 9290 9600

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Name

E-mail address

Website

Please visit GCR's website featuring the latest on GCR:

www.goldencross.com.au

General Enquiries

Contact David Timms or Chris Torrey at the principal office: ph. (02) 9482 883

