

GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

QUARTERLY REPORT

DECEMBER 2004

HIGHLIGHTS

- Over 7,000 m of drilling has been completed on GCR ground during the past three months and programs are ongoing or planned over the next month at Broken Hill, Copper Hill, Canbelego, Burra and Yellow Mountain.
- Drilling of a 500 m hole at the Broken Hill Tip gravity anomaly has commenced to determine if the anomaly represents a repetition of the massive silver-lead-zinc ore body, the largest of its kind in the world.
- Drilling is underway at Canbelego, testing for the extension of the Mt Boppy gold ore body beneath the tailings dam immediately south of the Mt Boppy open pit. Mt Boppy was historically the second largest gold mine in NSW. This drilling will be followed by a hole to be drilled approximately 30 m north along strike from the recent successful Burra copper hole.
- Drilling has commenced at Copper Hill to follow-up several holes drilled by major companies that returned significant results, such as 217 m at 1.67 g/t gold and 0.72% copper, and 157 m at 0.78 g/t gold and 0.4% copper.
- At Yellow Mountain Triako Resources is due to commence RC drilling at the Claytons Dam and Quarry Hill prospects to follow-up on significant gold intersections, such as 32 m at 1 g/t gold including 16 m at 1.59 g/t gold at Claytons Dam and 36 m at 0.79 g/t gold at Quarry Hill.
- At Adelong metallurgical testwork indicates that the combination of gravity and heap leach extraction would reduce the capital and operating costs if the project is developed.

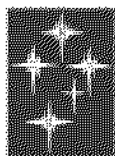
Canbelego

(part of the Pipeline property near Cobar, totalling 216 sq km, GCR 100%, gold and base metals. 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 completed 2,290 m of drilling in 41 RC holes during the quarter. This is in addition to almost 1,000 m drilled during September 2004. The drilling focused on the Canbelego area close to the Mt Boppy Gold Mine. During the quarter GCR also completed a gradient array induced polarisation ("IP") geophysical survey that identified a number of targets for follow-up work.

On 27 September 2004 GCR announced a high grade intersection of 5 m at 39.8 g/t gold in hole GCB-30 from RC drilling at the Birthday prospect near Mt Boppy on GCR's Canbelego exploration licence.

Follow-up drilling consisted of five short RC holes for a total of 200 m in the immediate vicinity of hole GCB-30. Step-out distances from hole GCB-30 were generally 25 m, plus a 50 m step-out to the south. Broad widths of anomalous gold-bearing rock were intersected near-surface, however, no high grades were obtained. Results are set out below, with results for hole GCB-30 repeated for comparison.



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Results of follow-up RC drilling at Birthday Prospect, Canbelego

Hole No.	MGA Easting (m)	MGA Northing (m)	Hole Depth (m)	AMG Azimuth (m)	Dip (deg)	From (m)	Intercept (m)	Gold (g/t)
GCB-30	435997	6507482	116	90	-55	1	5	39.8
GCB-31	435986	6507459	45	90	-60	surface	26	0.21
GCB-32	435987	6507484	50	90	-60	2	42	0.49
		Incl.				2	12	1.11
GCB-33	435990	6507504	43	90	-60	surface	10	0.47
GCB-34	435991	6507424	37	90	-60	10	27	0.43
		Incl.				18	2	2.32
		And				36	1	1.04
GCB-35	435959	6507429	22	10	-60	-	-	-

A further drilling program was completed and the best results, reported to ASX on 23 November 2004 and 1 December 2004, were 3 m at 7.25 g/t gold at the New Haven prospect and 2 m at 28.5 g/t gold (re-assayed as 1 m at 25.1 g/t gold) in hole GCB-56 located immediately to the south and along strike from the Mt Boppy Gold Mine (Figure 1).

Results of RC drilling at Canbelego, November 2004

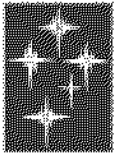
Hole No.	Prospect	MGA Easting (m)	MGA Northing (m)	Hole Depth (m)	Dip (deg)	From (m)	Intercept (m)	Gold (g/t)
GCB-37	Birthday	435965	6507415	28	-60	20	8	1.97
GCB-38	Birthday	435998	6507436	40	-60	6	32	0.35
GCB-49	New Haven	436786	6508945	25	-55	22	3	7.25
			Incl.		-60	22	2	10.50
GCB-56	Sth Boppy	435199	6507399	24	-60	4	1	25.1

This drilling outlined a number of targets that warrant follow-up. At the Birthday Prospect, for example, drilling delineated a broad, northwest-trending zone (+50 m) of mineralisation in the range of 0.2 g/t to 0.5 g/t gold that hosts pods of very high grade supergene gold. Intersections such as 5 m at 39.8 g/t gold in Hole GCB-30 are in contrast with nearby holes such as GCB-63 (64 m at 0.2 g/t gold) and GCB-65 (22 m at 0.35 g/t gold), suggesting the presence of supergene gold mineralisation. Drilling to test the down-dip extensions of the Birthday structure is scheduled to take place in February 2005.

On the basis of the intersection of high grade gold in hole GCB-56 and geological interpretation, three additional, deep RC holes beneath the tailings dam have been designed to test for extensions to the high-grade Mt Boppy gold mineralisation. Drilling of these three holes is currently underway. The northernmost hole will test for mineralisation within around 50 m of the southern end of the current pit.

Burra Prospect

In addition to the drilling near Mt Boppy, GCR completed an RC hole during the quarter to test for further copper mineralisation at the Burra prospect about 6 km south of the Mt Boppy Gold Mine (Figure 2). This hole (GCB-72) returned 12 m at 1.9% copper from 136 m, including 2 m at 6.8% copper, 0.4 g/t gold and 14 g/t silver



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from 144 m, reported to ASX on 1 December 2004. This intersection lies about 120 m vertically below the surface.

The mineralisation at Burra consists of locally massive chalcopyrite and pyrite in a zone of strong chlorite alteration. Magnetite is also associated with the mineralisation, which occurs close to the faulted contact between metamorphic rocks and younger sedimentary and volcanic rocks. The intersection occurs approximately 25 m down-dip from a zone encountered in a diamond drill hole (DDBBD04) drilled by others in the 1970s. This diamond drill hole was reported to contain an intersection of 9.9 m at 1.2% copper.

A downhole electromagnetic survey in hole GCB-72 indicates that this zone is conductive and extends north from the drill hole. GCR plans to drill another hole along strike to the northwest of hole GCB-72 during February 2005.

Ground electromagnetic (EM) surveys are presently being conducted over the Burra fault area hosting the Burra and Block 51 copper prospects in order to delineate any near-surface drill targets.

Induced Polarisation Geophysical Survey

Figure 3 shows the extent of the IP survey in relation to the Mt Boppy mining leases. Seven target areas have been identified with either anomalous chargeability, resistivity, magnetics or a combination of anomalous features. Follow-up soil sampling is currently underway on the targets that have not yet been adequately sampled. Drilling of these targets will be prioritised as soon as results have been received.

Broken Hill

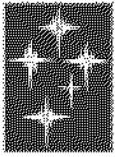
(507 sq km, GCR 100%, platinum group metals, gold and base metals.
JV partner Sipa (manager) may complete a bankable feasibility study
by 2.5.2008 to earn 70%)

Sipa has completed a review of GCap's exploration results and conducted a re-ranking of the prospectivity of each target. The stand-out target is the "Tip" prospect, situated beneath the Broken Hill town rubbish dump, within 1,800 m of the main Broken Hill "Line-of-Lode" orebodies. GCap modelled the gravity source as commencing about 300 m below surface, and proposed a 500-600 m drill test prior to its withdrawal. Sipa has acquired all ground gravity data and has re-modelled this data to refine the optimum drilling location.

A cross-sectional interpretation has been completed by Sipa to relate the "Tip" to the "Line-of-Lode" mineralisation (Figure 4). While largely schematic, the interpretation is consistent with known geology and suggests the possibility of a near-surface repetition of the favourable stratigraphy in the vicinity of the "Tip" gravity feature.

Sipa has started drilling the Tip hole with a reverse circulation percussion (RC) pre-collared, to be followed by a diamond drill to a depth of approximately 500 m.

Outside the GCap target areas, Sipa has focused on the Little Broken Hill Gabbro area, where FalconTM gravity data indicates that the ultramafic bodies have substantial depth extensions (Figure 5). These bodies are largely concealed beneath shallow cover. Geochemical work has confirmed that these ultramafic rocks are related to those that host high-grade platinum, palladium, copper and nickel mineralisation further north in the JV tenement area at Red Hill, Mt Darling



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Creek, and at Mulga Springs where a GCR hole intersected 4 m averaging 5.66 g/t platinum, 11.78 g/t palladium, 3.18% copper and 2.34% nickel.

As previously reported, Sipa completed a RAB drilling program to test for nickel-copper-PGM mineralisation in the Little Broken Hill Gabbro area (145 holes for 538 m). Hole LBR127 returned anomalous results (459 ppb platinum+palladium and 750 ppm copper) in strongly carbonate-altered ultramafic rock from the western margin of the intrusion. Several other RAB holes also returned anomalous values (up to about 120 ppb platinum+palladium) from ultramafic rocks close to this contact.

A ground electromagnetic survey has just been completed to cover the prospective zone at the Little Broken Hill Gabbro area to assist with defining potential drilling targets. Initial results have not revealed any significant conductors.

Copper Hill

(near Orange, NSW, 95 sq km, GCR 100%, copper and gold)

The copper and gold-mineralised porphyry system at Copper Hill prospect has been mapped over a strike length of over five kilometres. Many major mining companies have conducted exploration programs looking for a large continuous body of mineralisation that would be economic to mine. However the eminently successful North Parkes and Ridgeway mining operations have demonstrated that narrow, small diameter pipe-like porphyry systems can be mined economically.

Several significant intersections have been returned in the past by major companies that have not adequately been followed-up, such as:

- Hole CHRC 58: 217 m at 1.67 g/t gold and 0.72% copper
- Hole NCH 19: 157 m at 0.78 g/t gold and 0.40% copper
- Hole NCH 8: 149 m at 0.52 g/t gold and 0.44% copper
- Hole NCR 13: 80 m at 0.42 g/t gold and 0.50% copper

All of the above intersections contain narrow higher-grade zones.

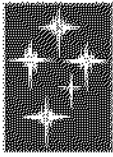
GCR is currently drilling a number of targets within the area, the results of which will be available in February 2005.

Yellow Mountain

(North of Condobolin, 310 sq km, 51% Triako Resources and 49% GCR, gold, silver, base metals. Triako (manager) may earn up to a 70% interest by spending a further \$550,000 by 19.10.2005)

Work by Triako continues to focus on the large Melrose magnetic anomaly, containing the Fountaindale prospect. Fountaindale is a new discovery, largely covered by alluvium and soils, where gold mineralisation is hosted in an intrusive granodiorite. Results show that there is considerable potential to locate intrusion-hosted gold deposits over an area in excess of ten kilometres within the Melrose anomaly and adjacent rocks.

Triako has completed a program of aircore drilling within the Melrose magnetic anomaly surrounding the Fountaindale prospect where previous drilling intersected anomalous gold such as 1 m at 7.86 g/t gold and 0.73 m at 12.88 g/t gold within an anomalous area of 650 m by 250 m.



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A total of 59 aircore holes for 3,551 m tested six anomalous magnetic structures. Elevated gold-copper and arsenic mineralisation was intersected in a number of drill holes. Further detailed assaying and petrographic examination is underway. Interpretation of the data is continuing.

Drilling will commence in February 2005 to test an IP anomaly at the Quarry Hill prospect where previous drilling intersected 36 m at 0.79 g/t gold. Drilling will also follow-up a previous intersection at Clayton's Dam of 32 m at 1g/t gold, including 16 m at 1.59 g/t in a deep RC hole.

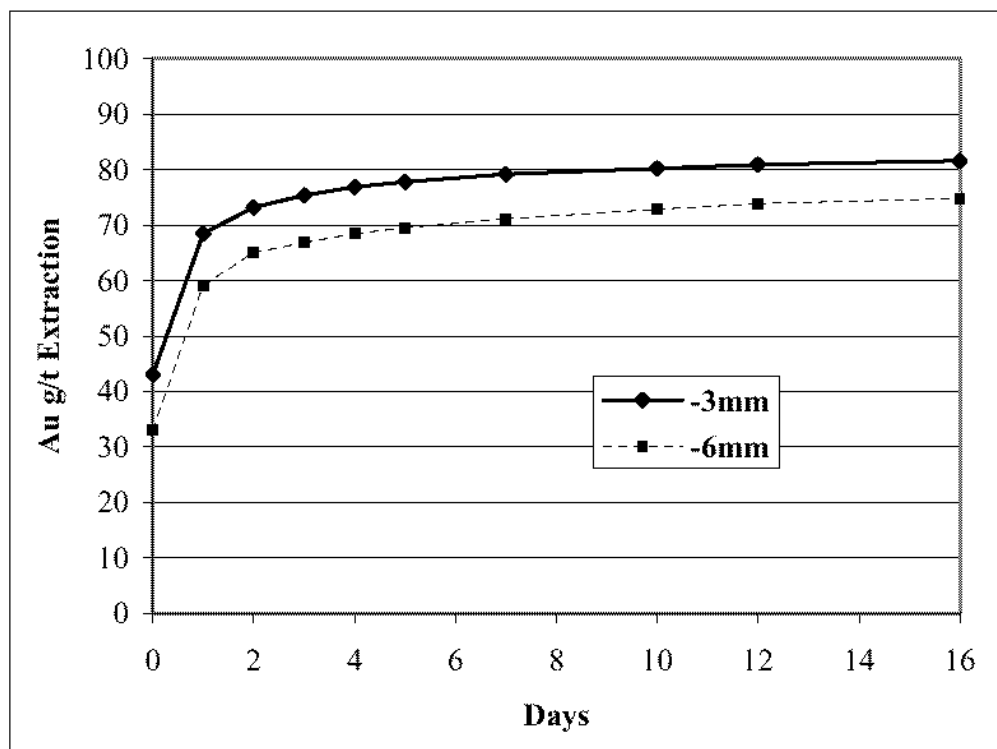
Adelong

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

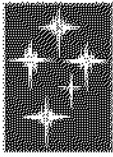
Recent metallurgical results indicate that the combination of gravity separation and heap leach extraction will reduce the capital and operating costs for gold production. A feasibility study completed in 2004 had indicated that the project could be put into production for an estimated capital cost of \$2.8 million.

A representative ore sample assaying 2.9 g/t gold taken from a 1992 bulk sample from the main Challenger deposit was subjected to a simulated heap leach test in the Metcon Laboratories after fine crushing and recovery of a gravity gold component. Testing was carried out at two crush sizes of 3 mm and 6 mm. Overall gold extraction was 75% at 6 mm and 82% at 3 mm. See the graph below for gold extraction results.

Adelong Ore - Gold extraction vs time



The results require confirmation by tests on samples to be taken from other areas of the orebody.



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The above results compare favourably with a heap leach test completed by previous owners, which indicated an 80% recovery over 300 days - too long to be economic. The reason for the long period was probably the presence of coarse gold in the heap, which was not effectively dissolved by the dilute cyanide solution. Gravity extraction could be expected to remove most of the coarse gold and thus assist with the economics of the project.

Further tests and studies will be undertaken to determine:

- the extent to which a gravity-heap leach operation will increase profits; and
- cut off grades and resources.

GCR is continuing to discuss the possibility of the sale or joint venture of the project with interested parties.

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

A study is presently underway to determine what work is required to advance the project towards production. This will include assessing the cost of preparing a pre-feasibility study, incorporating:

- in-fill drilling;
- geological model refinements based on in-fill drilling;
- new block-model and resource estimates;
- preliminary pit optimisation, designs and schedules;
- metallurgical testwork for optimisation and preliminary marketing samples; and
- project design, capital and operating cost estimates to +/- 25% accuracy.

The study will also review the oil-drilling barite market fundamentals and realistically assess the possibility that Kempfield can fulfil market targets.

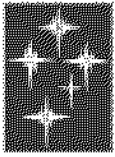
Sunny Corner (near Lithgow, 147 sq km, GCR 100%, gold, silver and base metals)

The preliminary drill test, previously reported, at Bob's Creek has been particularly encouraging, as it clearly indicates the occurrence of gold mineralisation in the intrusive rocks. The best portion of the soil anomaly remains to be tested and a program will be developed in the next quarter to drill the anomaly

Cargo (470 sq km, GCR 100%, copper and gold. Falcon Minerals (manager) may spend \$3M by 3.12.2007 to earn 70%)

Approximately 1,450 m of RC drilling covering 6 separate targets out of a possible 12 commenced in December 2004 and was completed in January 2005. Most holes were to 250 m depth except for the last that was shallower due to a thrust fault cutting off the prospective stratigraphy.

The targets were conceptual buried Ridgeway style gold copper intrusive monzonite porphyries interpreted to reach to within about 250 m beneath surface. Up to a



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dozen were postulated in a cluster around the historic Cargo gold workings. The 250 m depth holes were designed to test either the tops of intrusions or alteration zones above the postulated intrusive systems.

Drill chips from three of the targets failed to indicate significance mineralisation. The other three targets tested showed some porphyry intrusive rocks and variable indications of sulphide mineralisation.

Three-metre composite assays for gold, copper and molybdenum on the first two holes completed in December 2004 were anomalous only for gold and copper.

Hole FC15 intersected a thick zone of altered intrusions tentatively identified as monzonite porphyry. It contained disseminated and veined sulphides with up to 10% pyrite and intermittent zones with up to 2% chalcopyrite (copper-iron sulphide) by volume.

Hole FC16 intersected a volcanic rocks then several narrow dioritic intrusions below 150 m with abundant magnetite but little sulphide.

FC17 intersected andesitic volcanic rocks cut by several broad zones of porphyritic quartz feldspar tentatively identified as monzonite. Disseminated and veined pyrite (4%-15%) occurred from 90 m to 200 m, including up to 2% chalcopyrite. From 220 m this angled hole passed back into andesite.

FC18 was terminated early in sand and clay. FC19 intersected 9m of transported clay, 99 m of saprolite clays to saprolitic bedrock transgressing into an oxidised porphyritic felsic intrusion tentatively identified as quartz monzonite. This highly weathered rock showed sections of quartz veining and argillitised rock with strong limonite development (hydrated iron oxides) that could be derived in part from sulphides. It was terminated at 132 m after passing through a major fault into less prospective clayed material.

Assay results are pending for the last 4 targets.

Eurongilly

(near Junee, 104 sq km, 100 % GCR, copper-gold)

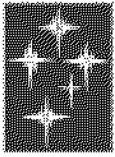
GCR has identified mineralisation at the Kurrajong prospect over a strike length of 1,500 m in a zone 250 to 500 m wide. Mineralographic studies suggest that hydrothermal alteration is widespread and intense, with both porphyry copper-gold and high sulphidation gold styles recognised. Copper and molybdenum sulphide minerals have been identified. Significant intersections previously reported include 38 m at 0.48 g/t gold in hole 18 and 3 m at 0.65% copper at the bottom of hole 17.

GCR plans to conduct IP geophysical surveys to define the extent of sub-surface sulphide minerals within the alteration zone in the March quarter.

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)

Last quarter GCR reported that Alkane had intersected 17 m at 4.72 g/t gold in hole WY812 in the Hanging Wall Zone at Wyoming One, at a depth of 250m below surface, on GCR royalty ground. Alkane also reported that it was drilling a deep diamond hole beneath WY812.



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Alkane have now released the results of hole WY811D with an intersection of 10 m at 5.39 g/t gold including 4.6 m at 9.85 g/t gold at a depth close to 450m from surface.

Although this deep hole was collared in GCR's royalty ground, the gold-bearing intersection lies about 30m to the north of the GCR ground. The drilling indicates that the zone of mineralisation is still open to the south. A major portion of this hanging wall zone is located in GCR's ground and includes holes such as:

Hole WY812 intersected 17 m at 4.72 g/t gold.

Hole WY418 intersected 13 m at 4.3 g/t gold.

Hole WY502 intersected 7 m at 3.66 g/t gold.

Hole WY337 intersected 9 m at 3.48 g/t gold.

Hole WY487 intersected 8 m at 2.87 g/t gold.

Hole WY664 intersected 3 m at 4.53 g/t gold.

Hole WY486 intersected 2 m at 9.32 g/t gold.

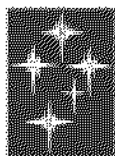
These holes, taken from Alkane's published longitudinal section, appear to represent a continuous zone of north-plunging mineralisation over 250 m long.

Bright Star (Laverton, WA, GCR holds a 2% gross gold royalty)

A1 Minerals reported in its December 2004 Quarterly Report that RC drilling confirmed more high grade gold at depth, and the continuity of deep primary gold mineralisation.

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.



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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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Fax +612 9482 8488
Email info@goldencross.com.au

Number of Shareholders

At 31 December 2004 GCR had 1,377 shareholders.

Major Shareholders

The share register records the following as major shareholders (greater than 1.3%) at 31 December 2004

	%
1. David Timms	8.36
2. Metallic Resources Pty Ltd	3.00
3. John Dennis Quirk	2.70
4. Golden Cross Plan Managers	2.69
5. Forbar Custodians Ltd	2.61
6. Aurcay Holdings Inc	2.48
7. Piranha Nominees Pty Ltd	2.02
8. ANZ Nominees Ltd	1.67
9. Sipa Resources International	1.62
10. Cyprus Amax Australia	1.46
11. Erwin John Clayton	1.41
12. Robert Cameron Galbraith	1.40
13. Tasman Management Pty Ltd	1.40
14. Arnold and Ruth Getz Super Fund	1.37

Cash Balance

At 31 December 2004 GCR's cash balance was \$1.43 million.

ASX Listing Code

The Company's ASX listing code is GCR.

Issued Capital

At 31 December 2004 GCR's issued capital was 186,608,043 ordinary shares, 1,250,000 options exercisable at 12.5 cents by 1.1.06, 3.445 million employee options exercisable at 10 cents by 11.11.2008 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

This Quarterly was sent by email.

To receive GCR's announcements by email, write down your e-mail address & fax to +612 9482 8488 or email to info@goldencross.com.au

Name

E-mail address

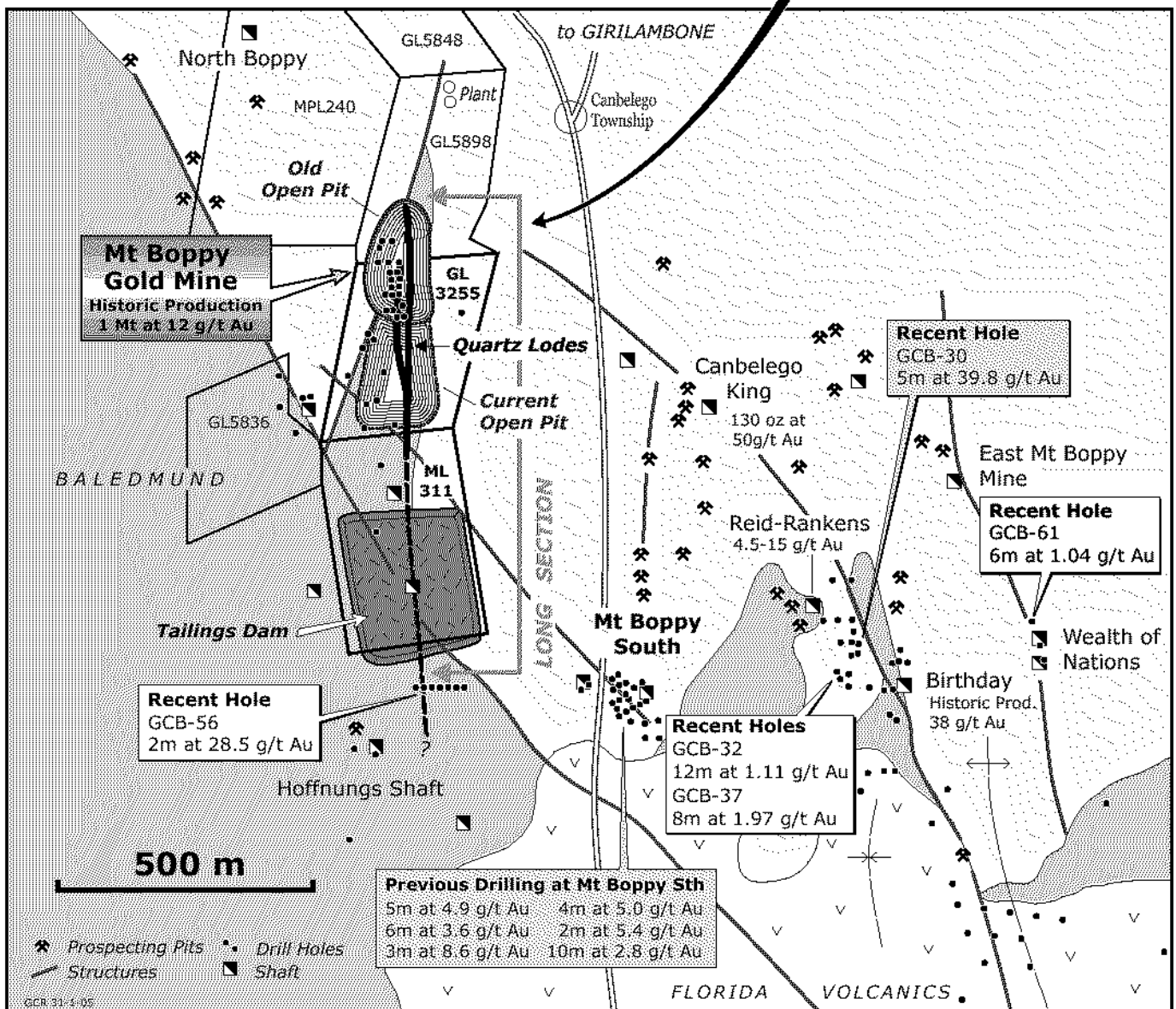
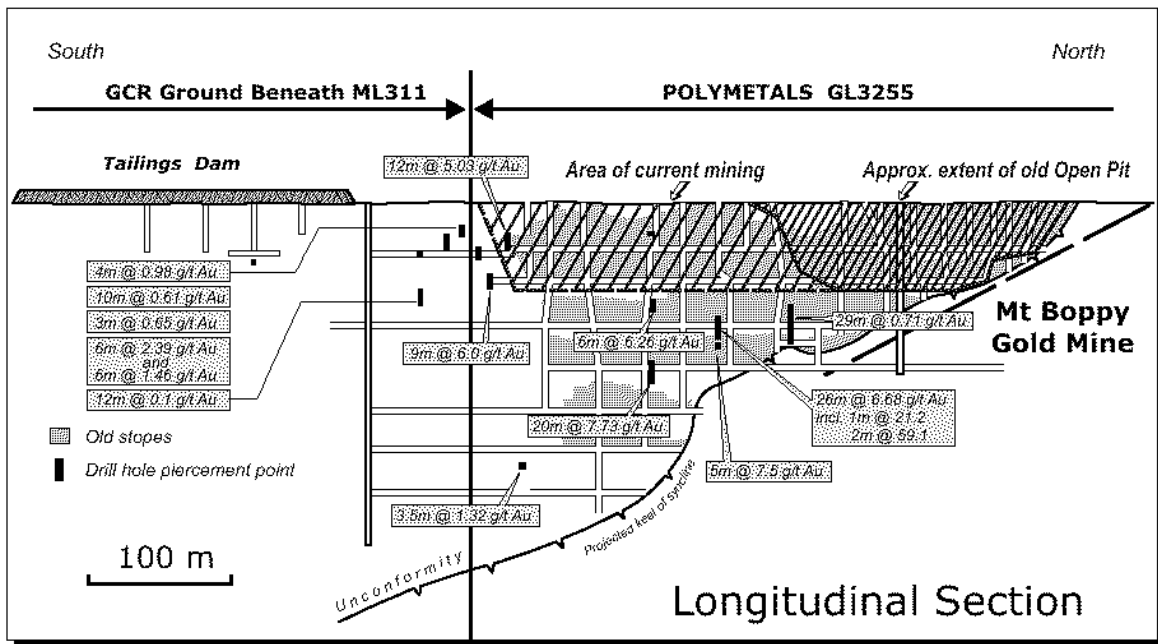
Website

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

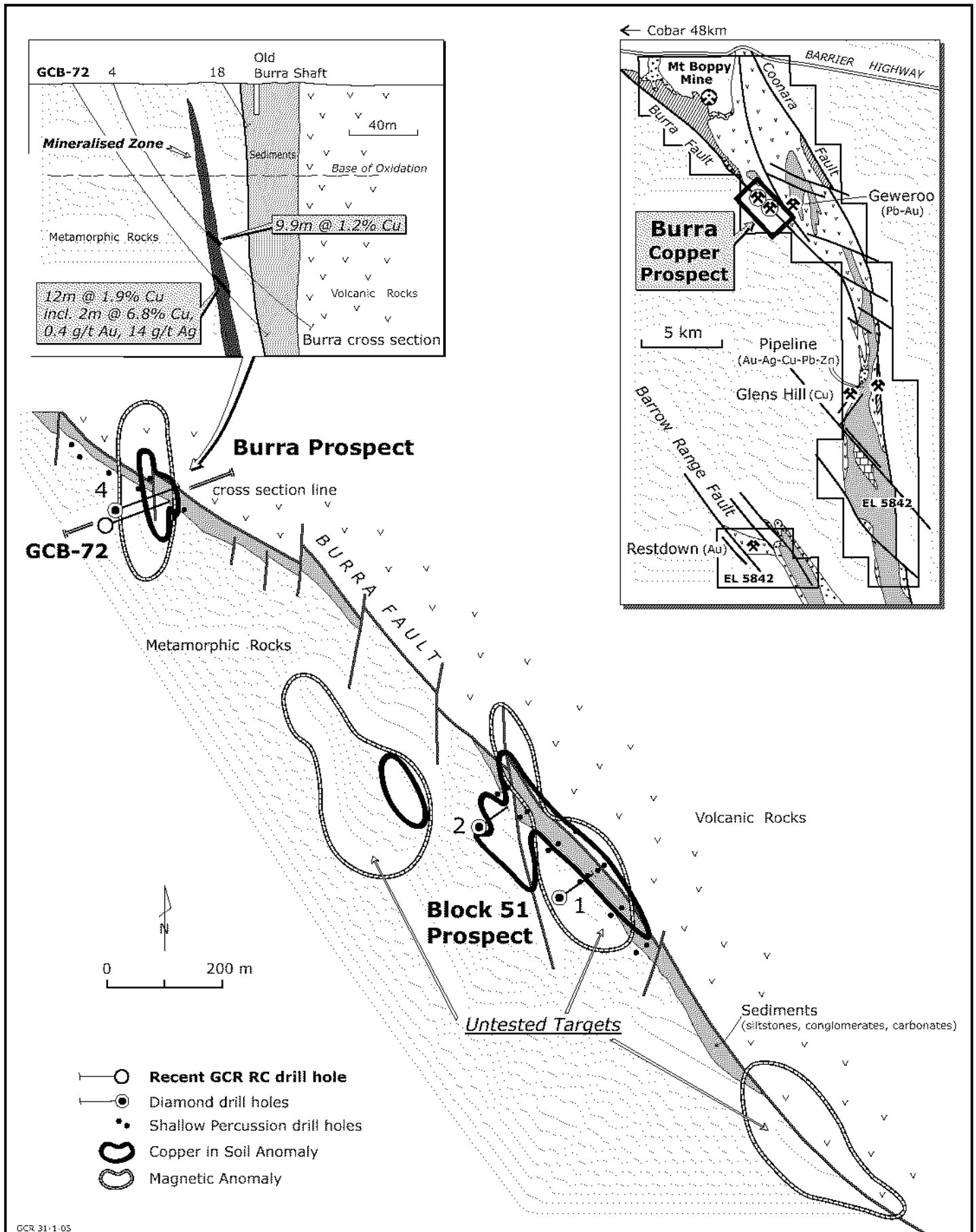
www.goldencross.com.au

General Enquiries

Contact David Timms or Chris Torrey at the principal office: phone (02) 9482 8833



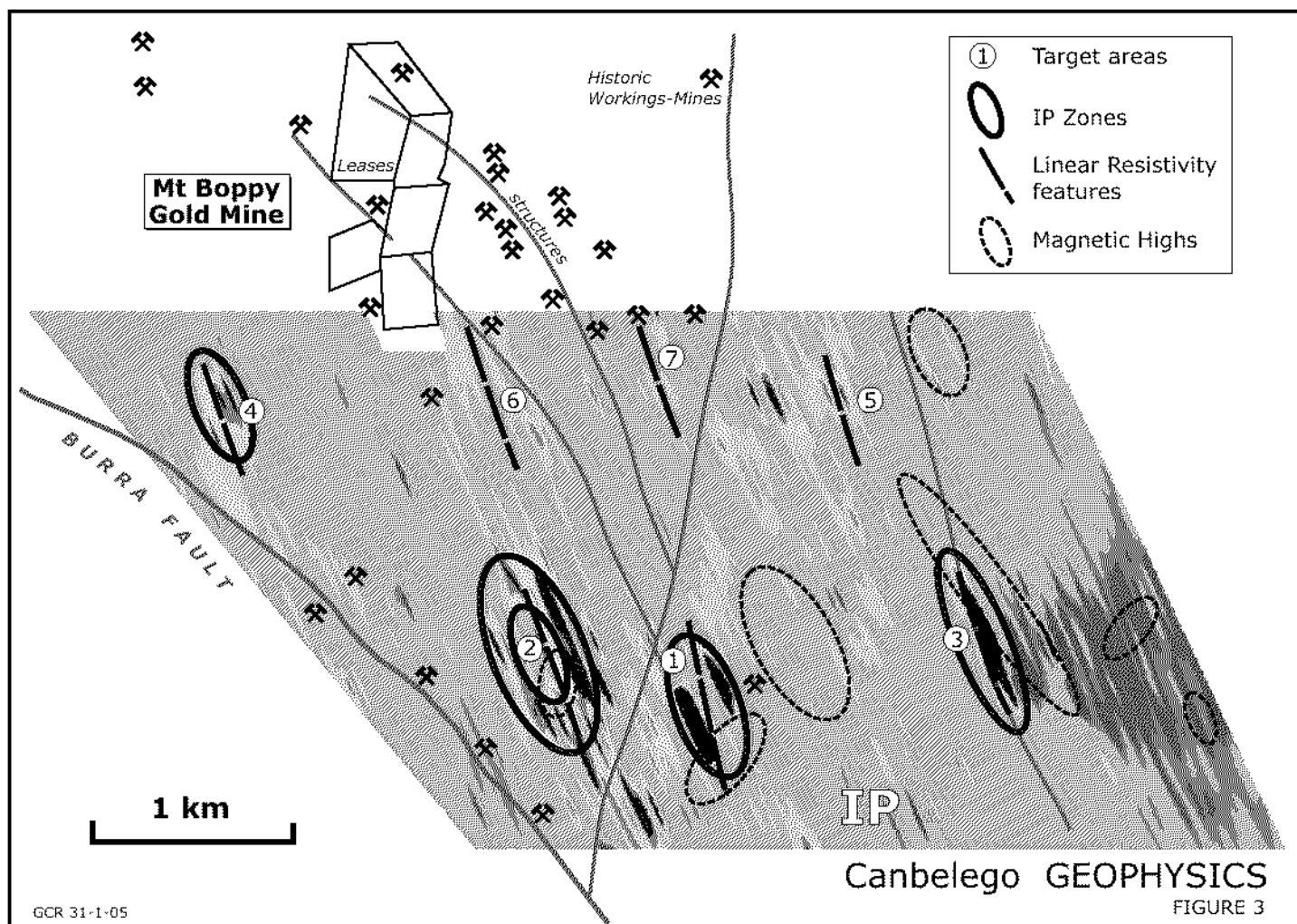
Canbelego Project

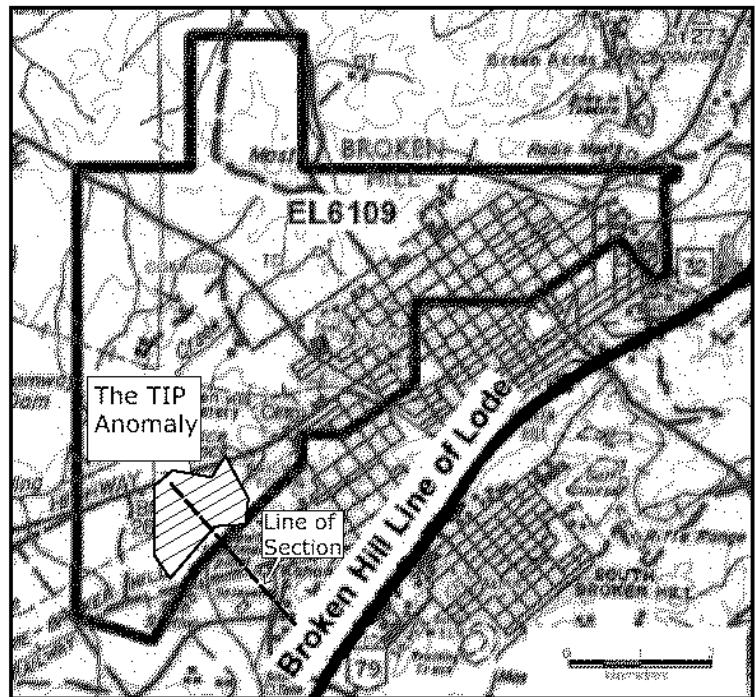
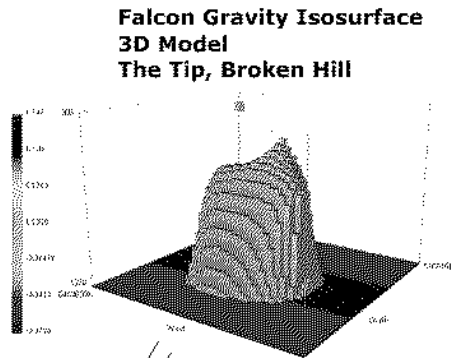


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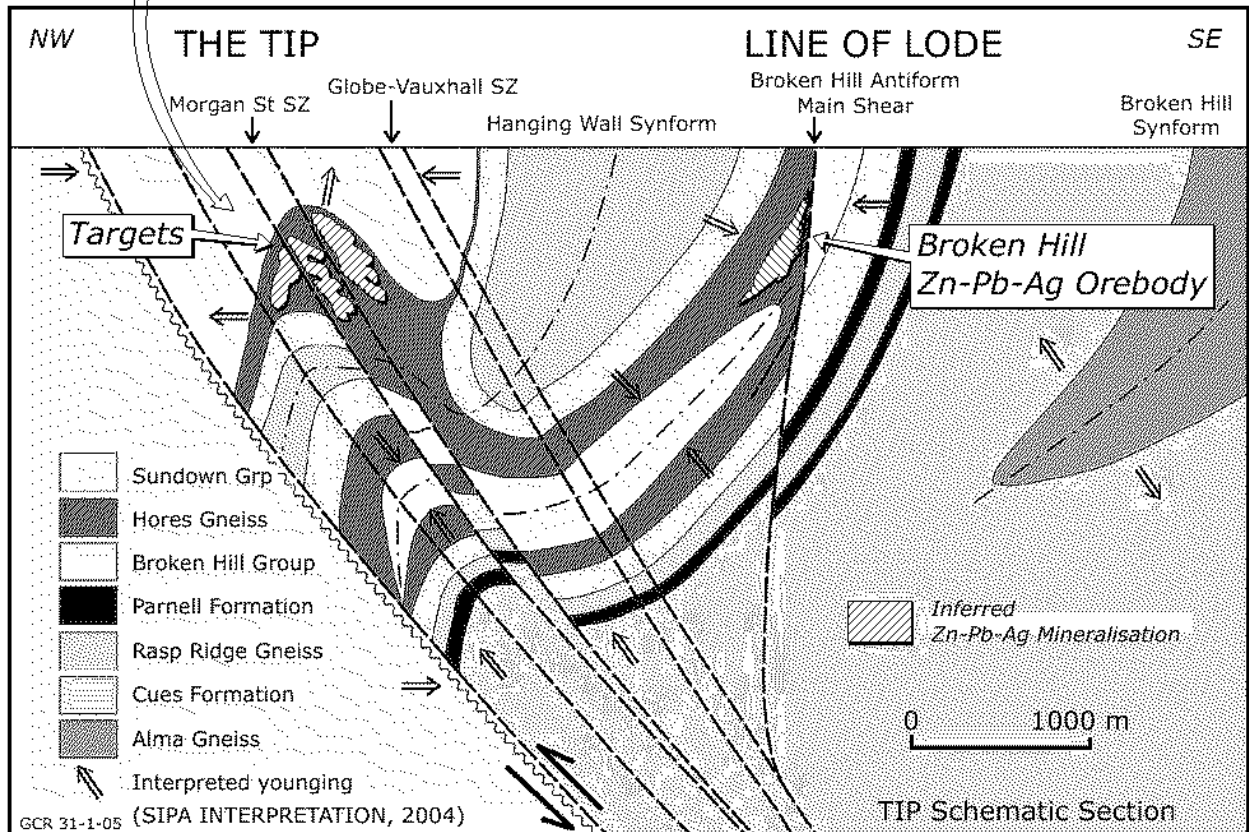
Burra Project DRILLING

FIGURE 2





Broken Hill



Broken Hill Project

FIGURE 4

