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CHAIRMAN'S ADDRESS TO SHAREHOLDERS AT 2006 AGM

I have pleasure in welcoming shareholders and visitors to this the 11th annual general meeting of Golden Cross Resources Ltd.

The 2005 annual general meeting was held on 9 November 2005, just under 11 months ago. This year a determined effort was made to hold this meeting earlier, principally so that the annual report could be in the hands of holders of the options which expired last week on 30 September 2006 one month before the options expired. My thanks go to those responsible for producing the accounts so early - Carl Hoyer, Daven Timms and our auditors, Ernst & Young. My thanks also go to the GCR staff who prepared the information presented in the annual report, particularly Glenn Coianiz.

The past 11 months has been a period of notable significance in the history of Golden Cross. In operational terms, the events at Copper Hill have been very important to the company. The Managing Director, Kim Stanton-Cook – will give a presentation on Copper Hill at the conclusion of the formal business of the meeting.

The year has been significant for two other main reasons. One is that the company has just completed a capital raising which combined with the rights issue at the end of last year gives a total of just under $12 million raised by the company in under 12 months. The other is the changes to the company's management which occurred early this year.

At the AGM last year we announced a 1 for 5 bonus options issue and a $3 million rights issue of 2 shares at 3.5 cents each – plus one free option – for every 5 shares held. In addition, shareholders were to be invited to subscribe for shares in excess of their entitlements. Subsequent to the announcement, underwriting arrangements were put in place to ensure the company raised as a minimum its targeted $3 million, but which contained a firm sub-underwriting component pursuant to which the company agreed to issue new shares firm to the sub-underwriters irrespective of the outcome of shareholder subscriptions. The outcome of the issue was that the amount raised increased to $4.8 million. This new capital provided a basis for the company to fund an aggressive drilling campaign at Copper Hill throughout the year.

Approximately 107 million options exercisable at 5 cents and expiring on 30 September 2006 were issued in association with the rights issue. Throughout their short life, the ultimate exercise of these options has been viewed by the board and management of the company as an event of considerable importance to the continuing operations at Copper Hill. As their expiry date approached, the company once again sought to put in place underwriting arrangements which would ensure the company raised as a minimum the targeted $5 million. Once again, the underwriting arrangements contained a firm sub-underwriting component for 50 million options pursuant to which the sub-underwriters were guaranteed to receive new GCR shares, whether they be in lieu of options not exercised by their holders or new shares issued by the company.

Although the figures are not yet final, I am pleased to announce that approximately 90 million of the 107 million options were taken up prior to their expiry. Therefore, the firm sub-underwriters took up the balance of approximately 17 million options and an additional 33 million shares. In total, therefore, approximately 140 million shares will be issued, raising approximately $7 million before costs. GCR's issued share capital will then be approximately 500 million shares.

In addition to the new funds raised of $7 million, approximately $1 million was on hand at the end of the September quarter. It is clear therefore that GCR is well positioned to move the Copper Hill project forward over the coming year.

Early this year, three significant changes occurred to the management of the company. David Timms, the company's founder and managing director for its first 10 years as a listed company stepped down but has continued as a non-executive director and consultant to the company. David's contribution to GCR has been very substantial and it is a credit to him that he left the company in such good shape. My thanks once again go to David and I am sure all present will join with me in expressing those thanks.

We were fortunate to entice Kim Stanton-Cook to succeed David as managing director. In these days of high commodity prices and high levels of activity in the resources sector, not all companies can find suitable people to fill their key positions. In Kim we have a geologist and leader of high calibre and capacity to get things done, and I am delighted to welcome Kim to this, his first annual general meeting as MD.

The third change was that Chris Torrey stepped down as executive director – exploration. I am very pleased that Chris has continued to serve the company as a non-executive director and consultant. My thanks go to Chris for his continuing valuable contribution.

The company is well positioned for an exciting year ahead. We face significant challenges, but the board and management is clearly focussed on the goal of building sustainable increased value in the company's shares.

Christopher Ryan
Chairman