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Golden Cross Resources confirms Copper Hill Resource estimate

Resource consultants Hellman & Schofield (H&S) have completed a revised resource estimate for GCR's 100%-owned Copper Hill porphyry copper-gold project near Molong, NSW.

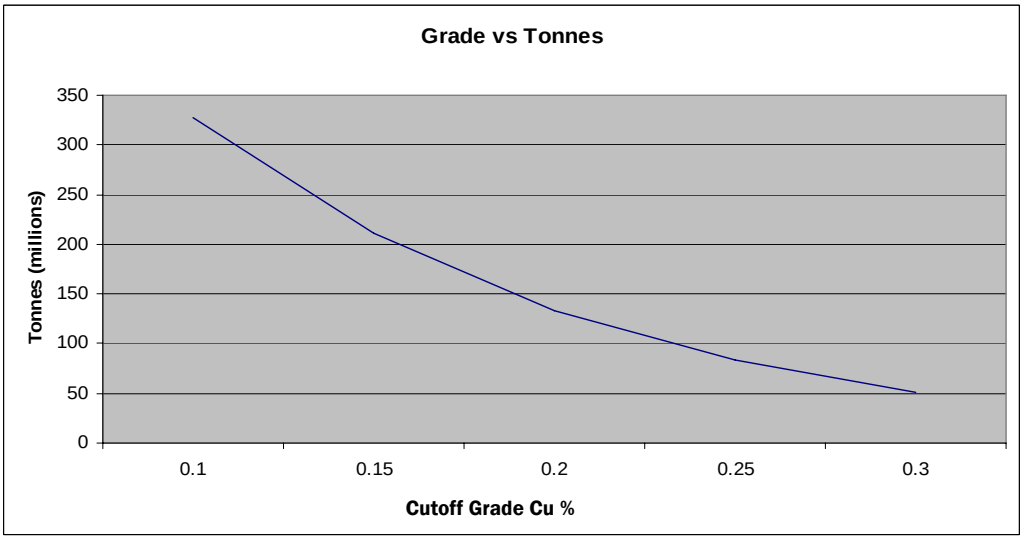
The revised estimate was generated using historical and recent drill results for holes up to GCHR294 in the current drilling program. A total of 481 holes representing 64,544m of drilling were used in the revised resource estimate, an increase of 11 holes and 2,492m over the previous estimate conducted in February 2007.

The revised resource estimate is set out below, at several cut-off grades.

Copper Cutoff (%)	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (Kt)	Contained Gold (M oz)
0.10	328	0.214	0.200	702	2.11
0.15	211	0.264	0.240	557	1.62
0.20	**133**	**0.318**	**0.283**	**421**	**1.20**
0.25	83	0.375	0.332	310	0.88
0.30	51	0.438	0.389	224	0.64

At GCR's preferred cut-off grade of 0.20% copper, the revised resource estimate is:

133 million tonnes at 0.32 percent copper and 0.28 grams per tonne gold, containing, in-ground, 420,000t of copper and 1.2 million ounces of gold.



The resource, at GCR's preferred cutoff grade of 0.2% copper, is classified as shown below:

Class	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (Kt)	Contained Gold (M oz)	% of Tonnes
Measured	16.9	0.390	0.429	66	0.23	13%
Indicated	66.9	0.325	0.288	217	0.62	50%
Inferred	48.7	0.284	0.225	138	0.35	37%
Total	133	0.318	0.283	421	1.20	100%

Note: The Measured, Indicated and Inferred Resource Estimates are reported under the 2004 JORC Code and Guidelines.

Approximately 13% of the resource at a 0.2% copper cutoff grade is classified as Measured, 50% as Indicated, and 37% Inferred. Primary mineralisation comprises 96% of the resource (tonnage) with 1% supergene and 3% oxide copper, as shown below:

Zone	Tonnes (Mt)	Copper (%)	Gold (g/t)	Contained Copper (Kt)	Contained Gold (M oz)
Primary	127	0.32	0.28	401	1.16
Supergene	1.2	0.61	0.36	8	0.01
Oxide	4.2	0.31	0.22	13	0.03
Total	133	0.32	0.28	421	1.20

The resource estimates were performed using ordinary kriging, constrained above and below the base of oxidation and either side of the Western Fault, but otherwise unconstrained. The different mineralisation types and rock densities, as well as the orientation of the primary mineralisation domains, were determined from the GCR geological interpretation. The preferred model is fully diluted by post-mineralisation dacite dykes.

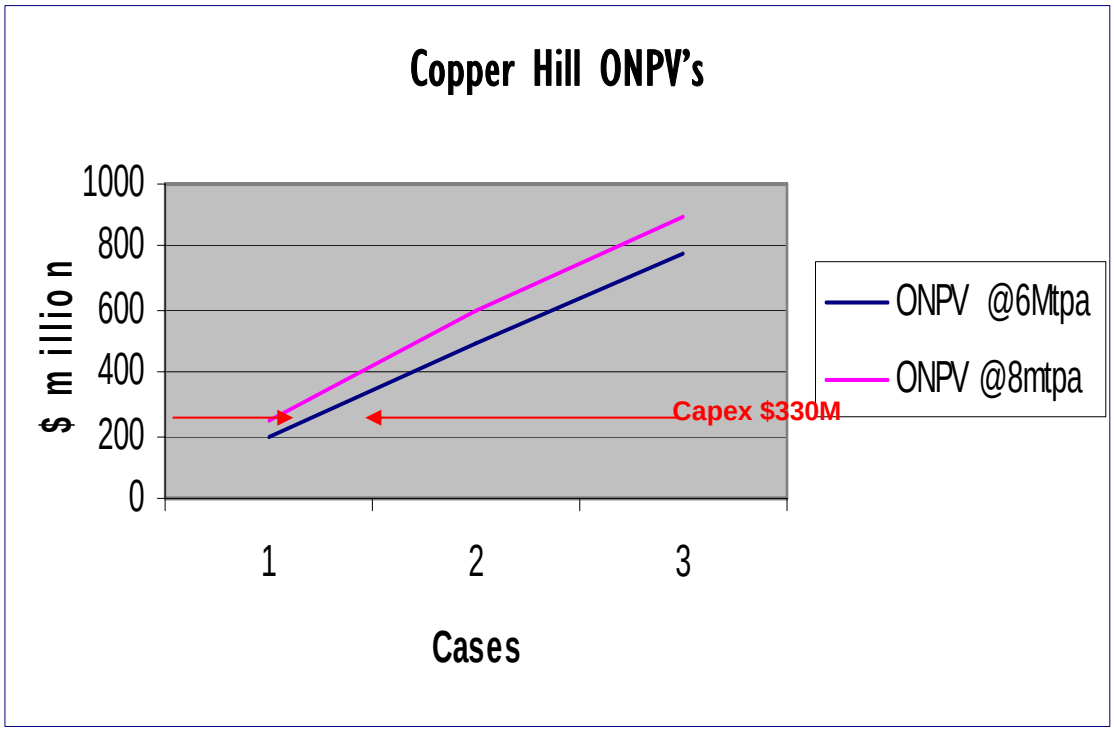
Model densities are the average for each zone from drill hole statistics: Primary – 2.65 t/m^3, Supergene – 2.44 t/m^3, Oxide – 2.24 t/m^3, Barren Dyke – 2.61 t/m^3, Argillic Zone – 2.53 t/m^3.

Note: GCR provided the drill hole database, which H&S accepted in good faith as being reliable, accurate and complete. GCR also supplied a detailed geological interpretation of the Copper Hill deposit, which formed the framework for the resource estimates. H&S has not validated the GCR database or geological interpretation in any detail, so responsibility for these aspects of the resource estimates, including quality of the data, resides with GCR.

Economics

Australian Mine Design and Development Pty Ltd (AMDAD), using mining costs generated internally and process costs provided by Cullen Mining Services (CMS), has completed conceptual pit optimisation studies using previous resource estimates (which are essentially unchanged from the latest estimate reported here.

Using a range of price and throughput assumptions, several operating net present values (ONPV's) were estimated, exclusive of capital costs for mill, plant and infrastructure. Mining equipment leasing costs are included. See graph below.



Case 1: Gold US$500, Copper US$1.80/lb.
Case 2: Gold US$600, Copper US$2.65/lb.
Case 3: Gold US$700, Copper US$3.50/lb.
Capex estimate ~$330m

Copper Hill Project – Conceptual Pit Optimisation Studies

	Case 1	Case 2	Case 3
US$/oz Au	500.00	**600.00**	700.00
US$/lb Cu	1.80	**2.65**	3.50
Operating NPV 8Mtpa	A$250m	**A$600m**	A$900m
Mill Feed million tonnes @ 8Mtpa	44	**94**	118
CMS Capital Cost Estimate for 8Mtpa operation.		**A$330m**	

The project requires sustained high metal prices to be clearly economic but, at estimated capital costs for process plant and infrastructure for an 8Mtpa operation at Case 2 metal prices, sufficient material could be treated to produce, in aggregate, about 240,000 tonnes of copper in concentrate with 400,000 to 500,000 ounces of recovered gold over a twelve year mine life.

CMS's initial capital cost estimate of approximately $330 million indicates that an NPV of about $270 million is possible using Case 2 metal prices and treating 8 million tonnes of ore per annum. These prices are above the long term averages but are below current spot prices. For potential participants, seeking secure supply of, say, 30,000 tonnes per annum of clean copper in +25% concentrate, the Case 2 economic model may be attractive.

Infrastructure

Copper Hill is very well placed with infrastructure; it lies 5 kilometres north of Molong (pop. 2000) and the towns of Orange (pop 40,000) and Wellington (pop. 10,000) lie 40 kilometres southeast and

60 kilometres north respectively. A large percentage of the workforce is likely to come from these and other nearby towns and from rural properties in the district. Support for the project, by Cabonne Shire Council and its local residents, is strong and tangible. The district has excellent capacity for construction and fabrication. Major mines operate in the region and local maintenance facilities and supply chains are well established.

The Mitchell Highway is a primary highway which leads east to Sydney through Orange and Bathurst. Heading north through Molong it passes beside Copper Hill before continuing north to Wellington and Dubbo then west to Cobar and Broken Hill. Driving time, from Sydney to Copper Hill, is less than four comfortable and scenic hours.

The former Orange to Dubbo railway line now terminates on the western side of Copper Hill. Track is 80lb, suitable for low-speed, high axle-weight with in-bound construction materials and outbound concentrate trucks joining the main Australian east-west rail line at Molong.

A 132kv power sub-station lies on the eastern outskirts of Molong only 4.5 kilometres from Copper Hill. The transmission grid in the region currently has excess capacity.

The Copper Hill site topography lends itself to creating a very small 'footprint' in terms of waste dumps, tailings dams, ROM pads, mill and plant sites and loading facilities. Haul and dump routes will be very short, in the order of 500 - 800 metres. With a low strip ratio (0.6:1), relatively little waste rock will be generated and much will be consumed building dam walls, bunds, road base and foundations. No major pre-strip is required.

The site lies on a minor watershed allowing opportunities for bunds to retain all stormwater and prevent run off. Tailings dam sites will double as sources of top soil for remediation and provide broad, gently sloping valleys allowing multiple secondary catchment opportunities for added environmental safety.

By siting the mill and plant complex behind Wattle Hill, noise and light pollution will be reduced.

Dried copper concentrate will be conveyed 500 metres from the plant to an overhead hopper above the existing rail line for loading into purpose-built rail cars.

Water will have to be sourced primarily from Lake Burrendong on the Macquarie River, 40 kilometres to the northeast, supported by water bores on site, from local impoundments on Back Creek, Western Fault and pit dewatering and waste water from Molong and Wellington. No water entitlements have been sought or granted and breaking of the drought will be of great assistance in reducing possible tensions with competing water users.

The Way Forward

GCR's Managing Director, Kim Stanton-Cook, said today

> "The latest round of drilling, while not adding to the resource, has, with the updated geological database, provided more accuracy and increased our confidence in the numbers. Using metal price assumptions between long term average and current spot, Copper Hill can deliver a positive NPV based on preliminary financial analysis. GCR has moved to refine the assumptions further, with detailed financial analysis still in progress.
>
> The project has the capacity to deliver a steady stream of copper-in-concentrate for at least ten years at reasonable cost, so the big hurdle for GCR is the estimated capital cost. GCR will consider potential joint venturers requiring a steady supply of clean copper concentrate with gold credits and the financial capacity to fund the project through to start-up."

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Golden Cross is a gold, uranium and base metals explorer holding tenements in the Lachlan Fold Belt, Curnamona Province and Thomson Orogen of New South Wales, the Mount Isa, Georgetown and Bowen regions of Queensland and the Yilgarn Block of Western Australia, and exploration interests in Panama and Labrador, Canada. GCR continues to take its 100%-owned Copper Hill project forward, with further mining and financial studies planned and new exploration prospects identified.

The revised Resource Estimates were calculated by Arnold van der Heyden, a full-time employee of Hellman & Schofield, Consulting Geologists and specialists in resource estimation and geostatistics. Mr van der Heyden is a member of AusIMM, has more than five years experience in the field of activity in which he is reporting and consents to his report being incorporated into this announcement in the context in which it appears above.

Golden Cross Resources is responsible for the resource database, data quality and geological interpretation, which were compiled under the direction of Kim Stanton-Cook, Managing Director. Mr Stanton-Cook is a full time employee of Golden Cross Resources Ltd, a Member of the AIG and has more than five years' experience in the field of activity in which he is reporting.