

GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

22 Edgeworth David Ave
Hornsby NSW 2077
Phone (02) 9472 3500
Fax (02) 9482 8488

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2008 Annual General Meeting of the members of Golden Cross Resources Ltd (**Company** or **GCR**) will be held at History House, 133 Macquarie St, Sydney, NSW on Wednesday 15 October 2008 at 4.00 pm for the following business:

1. Financial Report

To receive and consider the Financial Report and the reports of the Directors and Auditor for the year ended 30 June 2008.

2. Re-election of Chris Torrey as a Director

To consider and, if thought fit, pass as an Ordinary Resolution:

"That Mr Chris Torrey, being a Director retiring by rotation in accordance with Rule 17.2 of the Company's Constitution, and who offers himself for re-election as a Director, be re-elected as a Director of the Company."

3. Ratification of Share Issue

To consider and, if thought fit, pass as an Ordinary Resolution:

"To ratify, for the purposes of ASX Listing Rule 7.4, the issue and allotment of 3.8 million ordinary fully paid shares in the Company."

4. Renew Approval of Golden Cross Resources Employee Share Acquisition Scheme

To consider and, if thought fit, pass as an Ordinary Resolution:

"That the continued operation of the Golden Cross Resources Employee Share Acquisition Scheme contained in the document submitted to this meeting and signed by the Chairman of Directors for the purposes of identification be approved."

5. Renew Approval of Proportional Takeover Provision

To consider and, if thought fit, pass as a Special Resolution:

"That the Company's Constitution be amended by renewing Rule 8.13 (Proportional Takeover Provision Rule), the previous approval of which will expire on 9 November 2008, so that Rule 8.13 will have effect until 15 October 2011."

6. Remuneration Report

To consider and, if thought fit, pass as a non-binding resolution:

"That the Remuneration Report be adopted."

Further information in relation to Resolutions 2 - 6 is set out in the Explanatory Notes below.

VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on the resolutions by the following person(s) and any associate of that person(s).

Resolution 3 - A person who participated in the issue.

Resolution 4 - A Director of the Company.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

VOTING ENTITLEMENTS

In accordance with Regulation 7.11.37 of the *Corporations Regulations*, the Company has determined that for the purposes of the meeting, shares will be taken to be held by those persons recorded on the Company's share register at 4.00 pm Sydney time on Monday 13 October 2008. This means that if you are not the registered holder of a relevant share at that time you will not be entitled to attend and vote at the meeting.

EXPLANATORY NOTES

Resolution 2 – Re-election of Chris Torrey as a Director

Chris was Exploration Manager of the Company from 1996 to 2003, and Director-Exploration of from 2003 until February 2006, when he became a Non-executive Director of the Company.

He is the principal of geological consulting company CTEX Pty Ltd. He was a geologist with Cyprus Amax from 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.

Resolution 3 – Ratification of Share Issue

This resolution seeks to ratify the issue of shares to Altius Resources, to maintain GCR's interest in the Labrador farm-ins, and to Zorel Morales for a Panamanian geophysical database, as follows:

Date	No. Shares	Allottees	Price
29.8.08	3 million	Altius Resources	2.5c
	800,000	Zorel Morales	2.5c

The shares, all quoted on ASX, have the same terms as the Company's existing ordinary shares.

Ratification of the issue will go towards renewing the Company's 15% new issue capacity in accordance with ASX Listing Rule 7.4.

Resolution 4 – Renew Approval of Golden Cross Employee Share Acquisition Scheme

The Directors wish to renew the approval for the Golden Cross Resources Employee Share Acquisition Scheme (SAS) for the purposes of Listing Rule 7.2, Exception 9. The SAS enables the Company to remunerate its employees and Directors in shares instead of cash.

Participation in the SAS is offered by the Board to all employees and Directors as part of a salary sacrifice arrangement whereby up to half of the remuneration package may be in shares acquired under the SAS.

The Board considers the SAS to be an appropriate means of conserving the Company's cash resources.

A special purpose trust administers the SAS. Those employees and Directors under a salary sacrifice arrangement may have shares acquired on their behalf under the SAS. At times when the Board wishes to preserve the Company's cash resources, such shares will be acquired by way of new issues of shares. The issue price of the shares will be equal to the weighted average price of GCR shares for the three months immediately preceding the issue date, rounded to the nearest tenth of a cent. At the discretion of the Board, shares may also be acquired by stock market purchases. Shares acquired on behalf of a

participant will be registered in the name of a trustee in separate accounts for each participant.

The total number of shares issued under the SAS and held in trust will 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 will not exceed 7.5% of the total number of GCR's issued shares.

Participants are entitled to direct the trustee how to vote the shares held on their behalf. Shares held by the trustee will also qualify for any rights and bonus issues.

Shares will be awarded under the SAS on terms that qualify for a tax deferral concession enabling the participants to defer tax beyond the date on which the shares were acquired. To qualify for the tax deferral, shares awarded to employees under the SAS will be subject to disposal restrictions.

The taxing point is deferred until the earliest of the following events:

- the lifting of the disposal restrictions;
- when the employee ceases to be employed by the Company or a subsidiary; or
- the end of 10 years from the date the shares were acquired on the employee's behalf.

Where the Board of Golden Cross Resources has determined that a participant has committed any act of fraud, misappropriation or gross misconduct in relation to the affairs of the Company or a subsidiary, the participant shall forfeit any right or interest in the shares held on behalf of the participant under the SAS. Provided none of the above acts has been committed, the Board will lift this condition in respect of shares acquired under the SAS and will do so in the event of a takeover bid.

Since its adoption by shareholders in 1999, the Company has issued 7,001,266 shares to employees and Directors under the SAS, resulting in a cash saving to the Company of \$496,319. The number of shares issued since the last approval in 2005 is 1,052,631 shares.

A disadvantage, if Resolution 4 is passed, is the dilutory effect on the Company's share price, due to the increased number of shares on issue.

A copy of the SAS Rules will be emailed or mailed free of charge to shareholders on request to Daven Timms, Company Secretary, phone +61 2 9472 3500.

Resolution 5 – Renew Approval of Proportional Takeover Provision

The Directors recommend the renewal of the proportional takeover provision in GCR's Constitution to protect the interests of shareholders in the event a proportional takeover bid is made to members of GCR.

Wording of Proposed Rule 8.13

The proposed Rule 8.13 is set out in italics, below:

"8.13 Proportional Takeovers

- (a) *Subject to the Listing Rules and the SCH Business Rules, but notwithstanding any other provision of this Constitution, the Directors may refuse any transfer of Shares giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover scheme under section 618(1)(b) of the Corporations Act unless and until a resolution to approve the takeover scheme is approved in accordance with the provisions of Schedule 3.*
- (b) *This Rule 8.13 ceases to have effect on the third anniversary of the date of its adoption, or last renewal, in accordance with the Corporations Act.*

Schedule 3 - Plebiscite to Approve Proportional Takeover Scheme

1. In this Schedule:

"Approving Resolution" means a resolution to approve a Takeover Scheme made in accordance with the provisions of this Schedule.

"Takeover Scheme" means a takeover scheme made in accordance with section 618(1)(b) of the Corporations Law in respect of a Relevant Class of Shares in the Company.

"Relevant Class" means the class of Shares in the Company to which a Takeover Scheme relates.

- 2. The registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a Takeover Scheme is prohibited unless and until an Approving Resolution is passed or is deemed to have been passed in accordance with the provisions of this Schedule.*
- 3. An Approving Resolution will be voted on at a meeting of those Members of the Company (other than the offeror under the Takeover Scheme or any associate of the offeror) who held Shares in the Relevant Class at the end of the day on which the first offer under the Takeover Scheme was made.*
- 4. The meeting referred to in paragraph 3 will be:*
- (a) convened and conducted by the Company;*
 - (b) conducted in accordance with the provisions of this Constitution relating to meetings of Members with such modifications as the circumstances require; and*
 - (c) convened such that the Approving Resolution is voted on before the day*

which is 14 days before the end of the offer period under the Takeover Scheme, and only the persons entitled by paragraph 3 to attend the meeting are entitled to vote on the Approving Resolution.

- 5. Subject to this Constitution, each person entitled to vote on the Approving Resolution is entitled to one vote for each Share in the Relevant Class held by them.*
- 6. The Approving Resolution will be taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise will be taken to have been rejected.*
- 7. If at the end of the day 15 days before the end of the offer period under the Takeover Scheme no resolution to approve the Takeover Scheme has been voted on in accordance with this Schedule, a resolution to approve the Takeover Scheme will be deemed to have been passed in accordance with this Schedule."*

Effect of Rule 8.13

The effect of renewal of Rule 8.13 is that if a proportional takeover is made to members of GCR, the Directors of GCR will be required to convene a meeting of members to vote on a resolution to approve the proportional takeover. That meeting must be held at least 15 days before the offers under the proportional takeover scheme close.

The resolution will be taken to have been passed if a majority of shares voted at the meeting, excluding the shares of the offeror and its associates, vote in favour of the resolution. If no resolution is voted on at least 15 days before the close of the offer the resolution will be deemed to have been passed. Where the resolution approving the offer is passed or deemed to have been passed, transfers of shares resulting from accepting the offer (provided that they are otherwise registrable) will be registered. If the resolution is rejected, then in accordance with the Corporations Act the offer will be deemed to be withdrawn.

If Rule 8.13 is adopted, in accordance with section 648G of the Corporations Act the provisions of Rule 8.13 will expire three years after adoption unless renewed by a further special resolution.

Reasons for Proposing Resolution

A proportional takeover scheme for GCR may enable effective control of GCR to be acquired without members having the opportunity to dispose of all of their shares to the offeror. Members could be at risk of passing control to the offeror without payment of an adequate

control premium for all their shares while leaving themselves as part of a minority interest in GCR.

Without Rule 8.13, if there was a proportional takeover scheme and members considered that control of GCR was likely to pass, members would be placed under pressure to accept the offer even if they did not want control of GCR to pass to the offeror. The proposed Rule 8.13 will make this situation less likely by permitting members to decide whether a proportional takeover scheme should be permitted to proceed.

Presently Proposed Acquisitions

As at the date on which this Notice was prepared, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in GCR.

Potential Advantages and Disadvantages for the Directors and Members of GCR

Rule 8.13 will enable the Directors to formally ascertain the views of members in respect of a proportional takeover scheme. Without such provision, the Directors are dependent upon their perception of the interests and views of shareholders. Other than this advantage, the Directors consider that Rule 8.13 has no potential advantages or potential disadvantages for them, as they remain free to make a recommendation on whether a proportional takeover offer should be accepted.

Shares in GCR are widely held, with the result that an acquisition of a shareholding of much less than 50% may be sufficient to enable an acquirer to gain effective control of GCR. In the past, offerors have been able to "front-end" their acquisition by offering a higher than usual price for the proportion of shares to which the proportional takeover scheme relates in order to obtain control of a company. Thereafter the shares in a company may be less marketable where it is known that there is a controlling member. This may allow the offeror to mop up the remaining minority interests at a lower price at a later date.

The Directors consider that the proposed Rule 8.13 will advantage all members in that they will have an opportunity to consider a proportional takeover scheme and then attend or be represented by proxy at a meeting of members called specifically to vote on the proposal. Accordingly, members will be able to prevent a proportional takeover scheme proceeding if there is sufficient support for the proposition that control of GCR should not be permitted to pass under the scheme. Furthermore, knowing the view of members assists each individual member in assessing the likely outcome of the proportional takeover scheme and whether to accept or reject that offer.

As to the possible *disadvantages* to members of proposed Rule 8.13, it may be argued that the proposal makes a proportional takeover scheme more difficult and that such proportional takeover schemes will therefore be discouraged. This may reduce the opportunities members may have to sell all or some of their shares at a premium to persons seeking control of GCR and may reduce any takeover speculation element in GCR's share price. The proposed Rule 8.13 may also be considered an additional restriction on the ability of individual members to deal freely in their shares.

GCR has never received a proportional takeover bid, so there are no actual examples against which to review the advantages and disadvantages of Rule 8.13 for the Directors and members of GCR.

The Board considers the proposed Rule 8.13 to be in the interests of members.

Resolution 6 – Remuneration Report

The Remuneration Report is set out in the Directors' Report section of GCR's 2008 Annual Report. It is also available on GCR's website at www.goldencross.com.au.

The report sets out GCR's remuneration policy and remuneration details for Key Management Personnel, including Directors.

A reasonable opportunity will be provided at the meeting for discussion of the Remuneration Report. While there is a requirement for a formal resolution on this item under section 250R(2) of the *Corporations Act 2001*, the resolution is advisory only and does not bind the Company or the Directors.

PROXIES

To be effective, proxy forms must be received by the Company at the above address or fax number at least 48 hours before the time for holding the meeting.

A member entitled to attend and vote is entitled to appoint not more than two persons as his/her proxy to attend and vote instead of the member. A proxy need not be a member of the Company. If more than one proxy is appointed, the proxy form may specify the proportion or number of the member's votes that each proxy may exercise, but if the proxy form does not specify a proportion or number of votes then each proxy may exercise half of the member's votes.

Dated 21 August 2008 by order of the Board.

DAVEN TIMMS
Company Secretary

GOLDEN CROSS RESOURCES LTD

ABN 65 063 075 178

22 Edgeworth David Ave
Hornsby NSW 2077
Phone (02) 9472 3500
Fax (02) 9482 8488

[SHAREHOLDER NAME AND BARCODE]

PROXY FORM FOR 2008 ANNUAL GENERAL MEETING

I/We, the abovenamed, appoint (*)
or in his/her absence (*)
of (address).....
or in his/her absence the CHAIR (**) of the meeting as my/our proxy to vote on my/our behalf in respect of

ALL or (***)of my/our shares at the Annual General Meeting of the Company to be held at
4.00 pm on Wednesday 15 October 2008 and any adjournment of that meeting.

I/we direct my/our proxy to vote in respect of each resolution to be considered as indicated with an "X", and to vote or abstain in respect of a procedural resolution as my/our proxy thinks fit.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, please place an "X" in the box to the right.

☐

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority of a poll is called on the resolution.

Notes:

- * A proxy need not be a member of the Company.
- ** The Chair of the meeting intends to vote in favour of all resolutions in respect of undirected proxies given to him.
- *** A member entitled to attend and vote may appoint not more than two proxies. Separate forms must be used for each proxy. Each proxy must be appointed to represent a specified proportion or number of the member rights by inserting the relevant proportion or number of shares each proxy may vote. If the proxy form does not specify a proportion or number of votes then each proxy may exercise half of the member's votes.

	Resolution	For	Against	Abstain
2.	Re-elect Chris Torrey as a director	☐	☐	☐
3.	Ratify share issue	☐	☐	☐
4.	Renew approval of GCR Employee Share Acquisition Scheme	☐	☐	☐
5.	Renew approval of proportional takeover provision	☐	☐	☐
6.	Remuneration report	☐	☐	☐

If no direction is given, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of each resolution to be considered by the meeting and any adjournment of the meeting.

Dated2008 Signature

To be valid, this proxy form, together with the power of attorney or other authority under which it is signed, or a notarially certified copy of that power or authority, must be deposited at GCR's office or faxed to (02) 9482 8488 by 4.00 pm on Monday 13 October 2008. Replacement barcoded proxy forms may be obtained by telephoning GCR's office.