Golden Cross Resources Ltd

Annual Report 2010

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COMPANY PARTICULARS

DIRECTORS

Chris Torrey, MSc, MAIG, FSEG, RP Geo
Chairman

Kim Stanton-Cook, BA (Geology and Geophysics)
MAIG, GSA, ASEG, SEG
Managing Director

Xiaoming Li, BA(Comm), MBA
Non-Executive Director

Xun (Suzanne) Qiu
Non-Executive Director

David Timms, BSc (Hons), PEng, FAIG, FAusIMM
Non-Executive Director

Daven Timms, BSc LLB (Hons), F Fin, AMPLA,
MAusIMM
Alternate Director for David Timms

Yan Li, MBA
(since 5 July 2010)
Alternate Director for Xiaoming Li

Jingmin Qian, BEc, MBA, CFA, GAICD
(nominated for election at the 2010 annual general meeting)
Non-Executive Director

COMPANY SECRETARY, GENERAL COUNSEL, AND CHIEF FINANCIAL OFFICER

Simon Lennon BSc, LLB, MCom, MBA, ACIS

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STOCK EXCHANGE LISTING

Golden Cross Resources Ltd shares and 2011 options are listed on the Australian Stock Exchange (Listing Codes GCR and GCRO)

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CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder,

This year has seen a sharp focus by your company on the Copper Hill project. Major shareholder support and our important alliance with China United Mining Investment Corporation (CUMIC) enabled us to raise $8 million through a non-renounceable rights issue. Early in May, the company signed an agreement with China National Automation Control System Corp. (CACS) to undertake a feasibility study.

I am pleased to inform you that the feasibility study is in full swing. Not only does this involve a full economic and engineering assessment but detailed environmental studies and assessment of regulatory requirements. Initial results will be available early in 2011.

There are several aspects to Copper Hill we should be particularly pleased with. The first in my view are global copper and gold prices. Our earliest studies indicated a robust project at prices considerably lower than they are now. This bodes well for the economic assessment.

Secondly, I am encouraged by results of drilling this year which has served to increase the resource by almost 40 million tonnes. We now have a new resource of 173 million tonnes which contains 1.47 million ounces of gold and 535,000 tonnes of copper metal. Further drilling to the north is expected to continue to augment the size of the deposit.

Thirdly, I am extremely pleased at the local support for the project. I attended a community meeting at Molong, the town located closest to Copper Hill, and there was a strongly positive response to the mining concept. The townspeople understandably wanted Golden Cross to "do it right" from the environmental and social viewpoints. Golden Cross will do this.

The plan is to mine the Copper Hill deposit as an open pit and process 8 million tonnes of ore per annum through a crushing-grinding-flotation plant on site. Our on-going metallurgical test work is helping us to assess the processing options, all of which are tried-and-true technologies in common use around the globe.

With the focus on Copper Hill, Golden Cross has withdrawn from our Canadian joint venture and relinquished exploration ground in Queensland and New South Wales. We will continue to explore for gold at Cargo and Mulga Tank, work on our South Australian prospects in search for Olympic Dam-style mineralisation, and undertake a drilling program for coal in Queensland.

We are also optimistic about our tenement applications in Panama. Like mining at Molong, exploring in Panama requires social licence. Significant progress has been made with indigenous owners and local authorities such that our applications have moved to an advanced stage in the exploration licence process. The central backbone of Panama (the Cordillera Central) hosts some of the largest copper deposits in the world at Cobre Panama (formerly known as Petaquilla) and Cerro Colorado. Prizes of this type, in my view, are worth the persistence.

The advanced position at Copper Hill is due to the hard work, vision and persistence of the management team and employees. While there are numerous challenges facing us, it is my belief that Golden Cross is on its way to becoming a mining company.

Chris Torrey, Chairman
15 October 2010

REVIEW OF OPERATIONS

Golden Cross Resources is a diversified mineral explorer, focusing on copper and gold in Australia and Panama. The flagship Copper Hill project is in central New South Wales.

Figure 1: Golden Cross Resources' wholly owned Projects and Prospects

COPPER HILL, NEW SOUTH WALES
Copper-Gold (Golden Cross 100%)

Copper Hill is well located with respect to other copper-gold developments in the Ordovician Macquarie Arc of NSW (Figure 2). It is the Company's most advanced project, with currently defined resources containing 535,000 tonnes of copper and 1.47 million ounces of gold. During the past year studies were aimed at reducing the estimated capital costs of the project and increasing the projected revenue by maximising the recoveries of all the economic elements (copper, gold and sulphur) from the deposit.

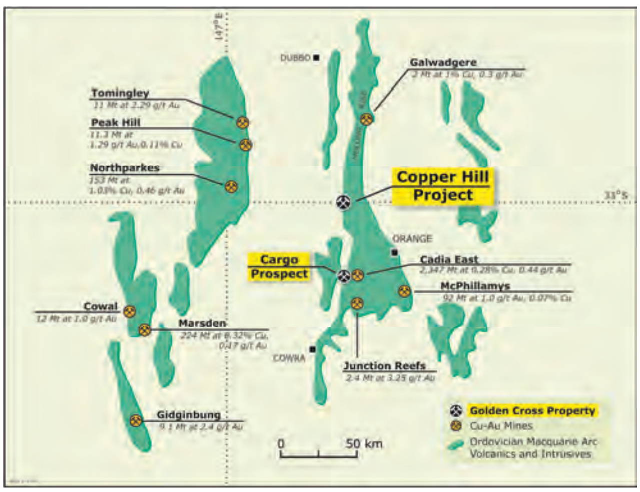

Figure 2: Copper Hill Project and Cargo Prospect – Regional Location

Resource and Economics

The Copper Hill Resource, at a 0.2% copper cut-off grade (as announced on 13 October 2010), is summarised in the following table.

Resource	Tonnes	Grade		Contained Metal		
Category	Mt	%Cu	g/t Au	Cu ,000 T	Au M oz.	Category % of Total
Measured	75	0.34	0.32	258	0.79	43%
Indicated	64	0.29	0.23	186	0.46	37%
Inferred	34	0.27	0.20	91	0.22	20%
Total	**173**	**0.31**	**0.26**	**535**	**1.47**	**100**

Table 1: Copper Hill JORC-Compliant Resources, 0.2% Cu cut-off, October 2010

Economically positive development attributes include improved copper and gold prices, a low waste to ore ratio, and ready access to excellent road, rail and power infrastructure. There is also a supportive local community.

Capital Cost Reduction

Efforts are being made to reduce capital costs by identifying the best value processing equipment suppliers in China. This is being assisted by Golden Cross' major shareholder, China United Mining Investment Corporation, which continues to provide valuable commercial introductions to other Chinese organizations including China National Automation Control System Corporation (CACS).

In its role as lead consultant on the Copper Hill feasibility study, China National Automation Control System Corporation (CACS) continues to examine the supply, costs and quality of the capital equipment required for a fully integrated mill and processing plants for Copper Hill. CACS is a member of the large China National Machinery & Equipment Corporation Group (Sinomach)

Increasing Project Value

In a conventional flotation process, pyrite is suppressed to maximise copper in the concentrate output for sale to smelters. At Copper Hill, where a significant proportion of the gold content of the deposit is contained in pyrite, the pyritic tails will have to be returned to the circuit after re-grinding. This process will add some inefficiencies and costs but may be an acceptable start-up option, with the benefit of reducing initial capital costs.

Golden Cross management asked its consultant metallurgists to examine alternative process paths whereby all the sulphide minerals would be recovered into a lower grade concentrate; a metallurgically simpler and lower cost process. The concentrate, with a much higher sulphur grade, would allow autogenous roasting with copper recovered from the roaster calcine by solvent extraction and electro-winning (SX-EW) and gold recovered by a standard CIP/CIL circuit.

This revised metallurgical process has significant potential to maximise value by extracting more copper, gold and sulphur from the Copper Hill ores. Sulphuric acid, heat, and iron oxide are potentially saleable by-products from the process. The process also has environmental benefits in a reduction of pyritic rock to waste dumps at the mine site and in the production of cleaner tailings.

A preliminary, simplified flowchart for the roasting and SX-EW stages is shown in Figure 3. The additional processing circuits present low technical risk as they are proven technologies in general use world-wide.

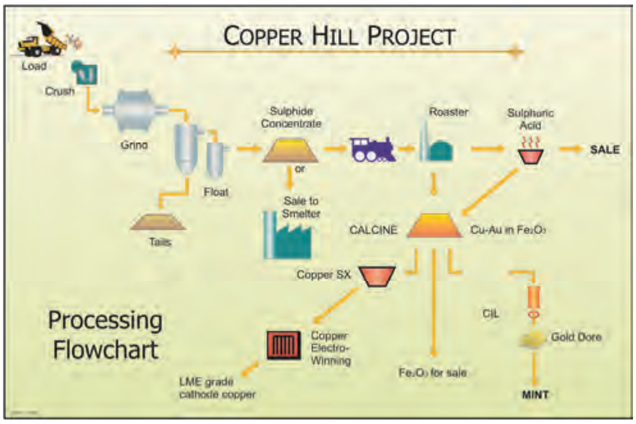

Figure 3: Copper Hill Processing Option

Metallurgy

Laboratory test work is continuing at Metcon to determine the flotation response of a composite sample representing typical Copper Hill mineralisation using a range of grind sizes, acidity levels (pH) and reagents. Initial results are within expectations, with 85% copper and 77% gold recovery to a bulk sulphide concentrate of suitable grade for self-sustaining roasting.

Recent drilling, core examination and consequent geological interpretations suggests clear potential for further improvement in these results by tailoring the flotation conditions and reagent suite to better match the mineralogy of the ore as it arises rather than masking this typical variation by compositing into one bulk sample. An additional 2-5% recovery for both metals at this stage in the flow-sheet would essentially report to the bottom line. Based on porphyry copper ores elsewhere, it is a realistic target for such optimisation studies.

Initial bench-scale roasting tests demonstrated that both copper and gold can be recovered to an acceptable extent from the roasted products. Larger scale test-work is required.

An alternative approach producing marketable copper concentrate has been tested briefly as the focus has been on the bulk recovery and metal production. A concentrate of 24-25% copper grade at 70% copper and 42% gold respective recoveries was achieved from a few early exploratory tests. The low gold recovery suggested better returns from the bulk sulphide route. No leaching tests for gold recovery were run from the flotation tail as the gold price at the time was too low. The returns from such a tail leach today would be undoubtedly superior and this option is being carefully re-examined.

Desktop studies are continuing on the economics of marketable by-products. Golden Cross has also conducted preliminary investigations into sharing the plant operating and capital costs with holders of similar sulphide deposits.

Resource Development and Exploration

In 2010 a total of 3,902 metres of drilling was completed in 15 reverse circulation percussion and cored drill holes. The drill holes were designed to increase resources by testing strike and depth extensions of previously intersected mineralisation.

The most significant result in terms of grade, length, and exploration potential was returned in GCHR298, drilled to test the 400RL- 300RL level beneath previously intersected near-surface mineralisation at Buckley's Hill (Figure 4). The intercept in GCHR298 generates down--dip, down-plunge and strike extension targets that will be followed up with further drilling.

Geological modelling of the Copper Hill Intrusive Complex and associated mineralisation was undertaken as a preliminary step to exploration target generation using porphyry copper models.

These included the wall-rock porphyry copper model exemplified by the Cadia East gold-copper deposits, located 45 kilometres south-east of Copper Hill.

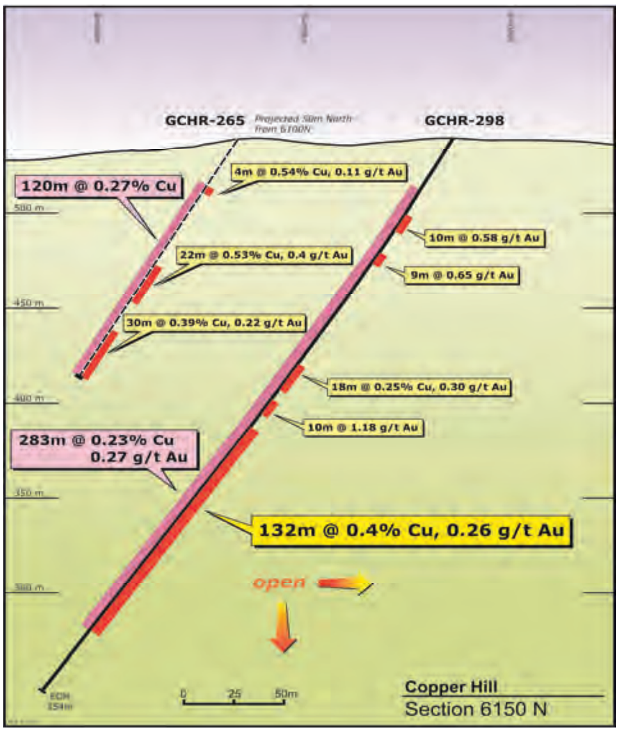

Figure 4: GCHR265 and GCHR298 – Buckley's Hill

CARGO, NEW SOUTH WALES
Copper-Gold (Golden Cross 100%)

Following inconclusive results from the March 2009 drilling at Gum Flat, results from all the historical drilling were reviewed. A four hole program is planned to test parts of the eluvial resource previously investigated by Shell in 1985, and to test anomalous gold zones that appear to extend into basement andesites/dacites. Surface Disturbance Notices have been approved by the Department of Industry & Investment, and land access has been finalized for this work.

Historical resource calculations have indicated potential for gold deposits in the Cargo Eluvials, and in the Dalcoath/Spur lode. There are potential resources in other peripheral lodes shown in Figure 5 where, based on previous drill assay results, further evaluation may lead to the definition of a commercially viable gold resource. These lodes will be targeted in 2011.

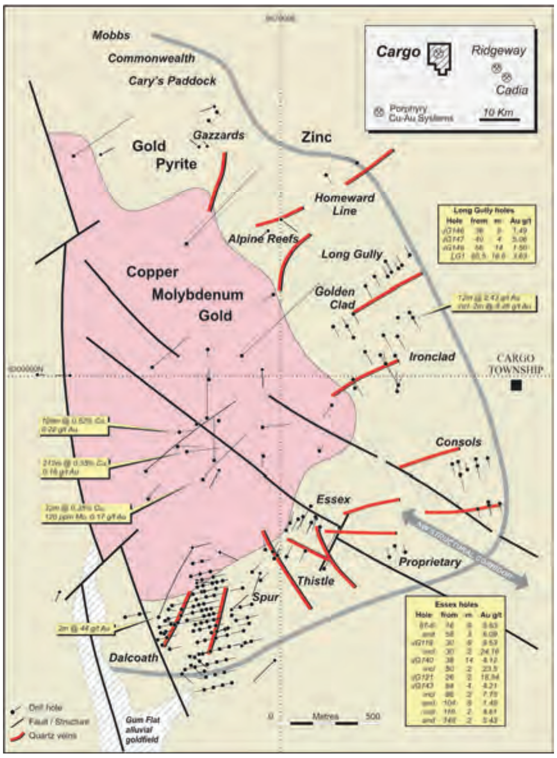

Figure 5: Cargo Prospects – Gold-Copper Targets

GAWLER CRATON, SOUTH AUSTRALIA
Copper-Gold (Golden Cross 100%)

Five tenements were originally selected for coincident magnetic and gravity anomalies, mainly at the north western end of the G2 O'Driscoll trend linking Olympic Dam and Prominent Hill (Figure 6). The area is intensively pegged by other explorers in the neighbouring region. Northwest linears through the Golden Cross tenements can clearly be seen in quality images.

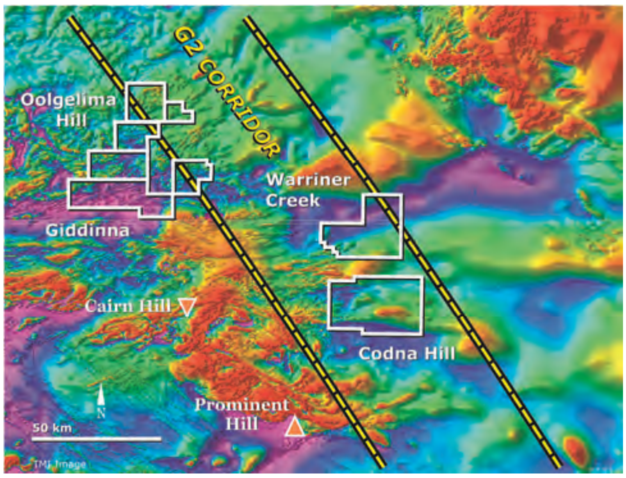

Figure 6: Tenements in Coober Pedy Region, South Australia

Five geophysical targets have been identified within the three granted tenements, Oolgelima Hill, Warriner Creek, and Codna Hill. Data from previous state and company geophysical surveys were compiled and evaluated, highlighting several features where magnetic and gravity anomalies coincide within a favourable structural setting.

Coincident geophysical anomalies have been interpreted to represent possible sulphide mineralisation within basement rocks. Infill and extension geophysical surveys (ground-based gravity and magnetics) are planned to improve the resolution of the anomalies prior to drilling. Golden Cross is also investigating the application of hydro-geochemical sampling of water bores to provide vectors to mineralisation.

The tenements are within or overlap part of the Woomera Prohibited Area. Implementation of these programs will be subject to a Deed of Access with the Commonwealth Department of Defence.

MULGA TANK, WESTERN AUSTRALIA
Gold, Nickel, Uranium
(Golden Cross 100%)

A soil sampling program undertaken by Golden Cross in 2008 outlined several zones of anomalous gold within a greenstone/BIF sequence intruded by granite (as interpreted from the regional magnetics) (Figure 7). Four air core traverses were designed to test these anomalies perpendicular to strike within the Mulga Tank East tenement. An air core drilling program was completed in December 2009.

A further traverse was designed to test an interpreted feeder system to the Minigwal Dunite within the Mulga Tank tenement. This traverse was not testing a specific geochemical anomaly but was designed to search for anomalism associated with massive nickel-copper sulphides that may have accumulated at the base of, or within, embayments of a channel or feeder structure.

74 holes were drilled, intersecting basement and the zone of maximum anomalism at the base of the transported profile. A total of 1,070 samples were submitted comprising 4 metre composites. The analytical results show that gold range up to a maximum of 0.26ppm in MTAC040 (44-45 metres depth).

37 samples contain gold in excess of 0.01ppm. Of these, 10 contain gold values of over 0.05ppm. While the gold values in the aircore are low, they are comparable with recent gold discoveries in the region. These include Beadell's Tropicana East prospect where air core holes with >0.05g/t Au were considered interesting and zones of anomalous gold in drilling are contoured at >0.02g/t Au.

Further work has been completed, infilling and extending the previous soil sampling, to improve the resolution of gold anomalies. Further air core drilling is planned to follow up anomalous results identified from the 2009 drill program and the 2010 soil sampling.

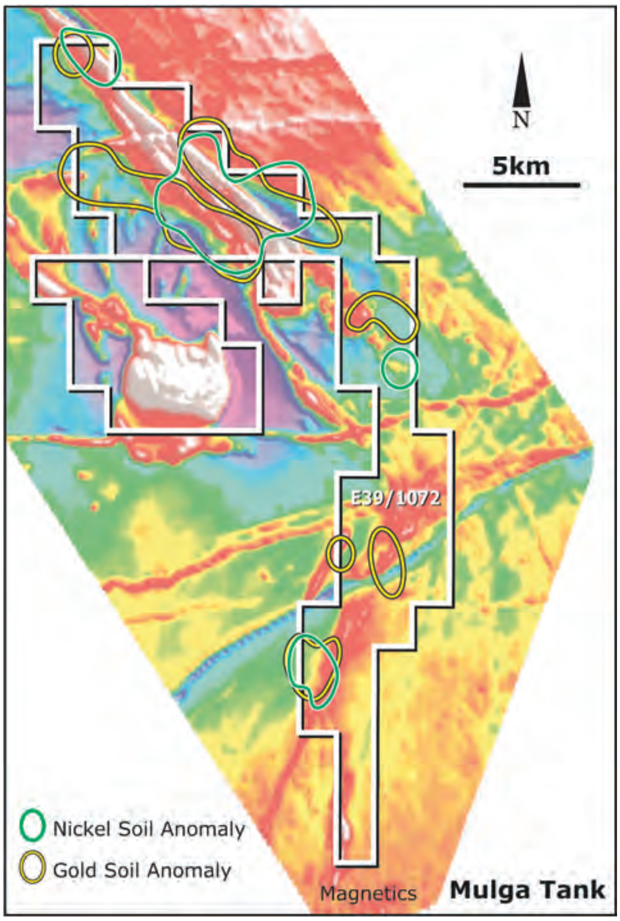

Figure 7: Mulga Tank Project, Yilgarn Block, Western Australia

CANBELEGO, NEW SOUTH WALES
Copper-Gold (Golden Cross 100%)

The Canbelego Group of tenements consists of Burra, Fairview Tank, Rosevale and Shango South. (Figure 8) Previous reporting focused on Burra where previous drilling has yielded encouraging copper intersections.

At Burra and Block 51 prospects, a further 1053m of RC drilling in 7 holes was completed in December 2009 followed by 299 metres of cored tail in January 2010. Encouraging intercepts of almost 10 metres grading up to 0.9% copper were returned. All of the copper intercepts, plus elevated gold, arsenic/bismuth, have potential to provide a vector towards stronger mineralisation at depths typical of Cobar-style deposits. Down-hole EM did not detect significant conductors.

In January 2010, helicopter-borne VTEM (Versatile Time Domain Electromagnetic) surveys were flown in the Nymagee region by Golden Cross Resources and neighbouring explorers. VTEM data has assisted in the discovery of several deep copper ore bodies in the region.

A total of 147.5 line kilometres was flown over the Burra licence and peripheral areas following the trend of known controls over mineralisation. The data were subsequently processed by consultant Vector Research Pty Ltd using proprietary Target TEM software. Conductivity Depth Images were also generated to assist interpretation of the survey data. The data is being synthesised with known geochemical and geological information to generate exploration targets.

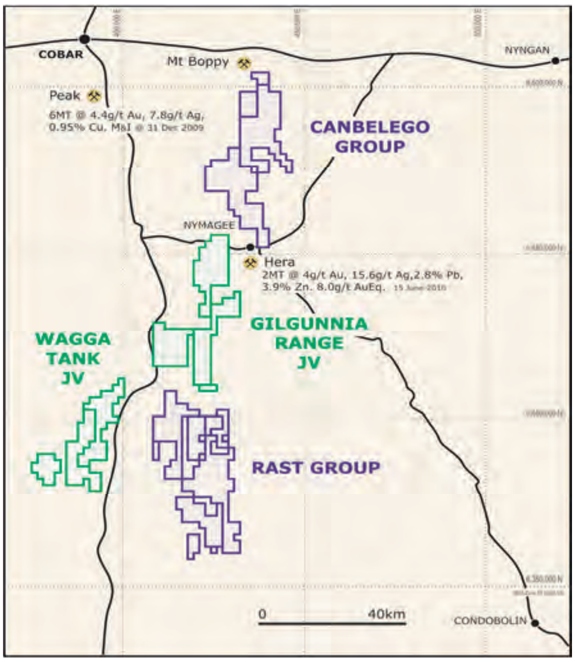

Figure 8: Canbelego and Rast Projects, Wagga Tank and Gilgunnia Range Joint Ventures

RAST, NEW SOUTH WALES

Gold, Lead-Zinc, Copper (Golden Cross 100%)

Tenement holdings in the Rast Project were rationalised during the year. The northern section, consisting of three tenements, was farmed out to MMG Australia Ltd and the southern section of three tenements relinquished, leaving a core area for further exploration (Figure 8). The region remains highly prospective for Nymagee-style copper-gold and base-metal and gold occurrences similar to the Hera deposit 20 kilometres to the north.

1913 metres of air core drilling was completed in 25 holes in November 2009, primarily targeting palaeochannel iron (maghemite), but also extending across adjacent base metal/gold targets. Sixteen holes returned iron rich horizons between 3 metres and 24 metres thick with a peak value of 15.1% iron. Peak value for gold was 83ppb gold within geochemical intervals up to 21m thick. Base metals peaked at 1190 ppm lead. Synthesis with previous regional data and a new VTEM survey is underway.

The VTEM survey was flown over the Rast Central Group of tenements, in conjunction with surveys over the Burra tenement at Canbelego. A total of 376.1 line kilometres was flown over the Guapa Tank, Delaney's Tank and Rast licences with subsequent production of Target TEM profiles and Conductivity Depth Images as at Burra, for interpretation.

MOUNT ISA, QUEENSLAND

Uranium, Gold, Base Metals (Golden Cross 100%)

The tenements are prospective for uranium in Georgina Basin sedimentary sequence and in the Proterozoic basement. In terms of age of the rock units and spatial distribution of uranium mineralization, an analogy can be drawn with the Athabasca Basin in Canada. The Proterozoic basement is also prospective for Mount Isa-style base metal deposits. Golden Cross retains the rights to all minerals other than phosphate under the terms of its farm-out to Legend International.

Phosphate exploration activity under the terms of the joint venture with Legend, accounted for most of the activity over the tenements during the year to June 2010. Golden Cross continues to develop exploration strategies for targets in settings shown in Figure 9.

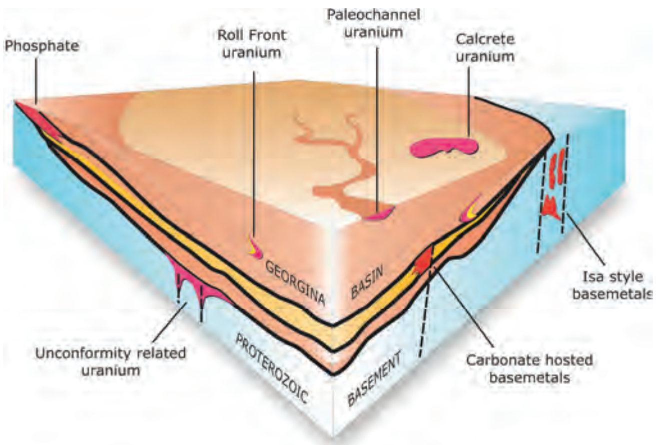

Figure 9: Mount Isa Region Deposit Styles (thin sand cover removed)

SOUTH EAST QUEENSLAND

Coal, "UCG" (Golden Cross 100%)

Since 2008 Golden Cross has lodged applications for exploration permits in Queensland's coal and gas basins. (Figures 10 and 11)

Project	EPC No.	Sub Blocks	Area (sq. km)	Status
Chinchilla Region				
Chinchilla North	1659	5	15.30	Granted
Chinchilla South	1655	3	9.19	Granted
Dalby	1658	6	18.35	Granted
Warwick Region				
Warwick	1643	45	136.40	Granted
Warwick Extended	1656	139	421.10	Competing Application
Warwick North	2068	17	51.47	Competing Application
Boonah	2082	13	39.43	Application
Bowen Region				
Pentland	1642	60%	192.80	Competing Application

Table 2: Golden Cross Coal Permits

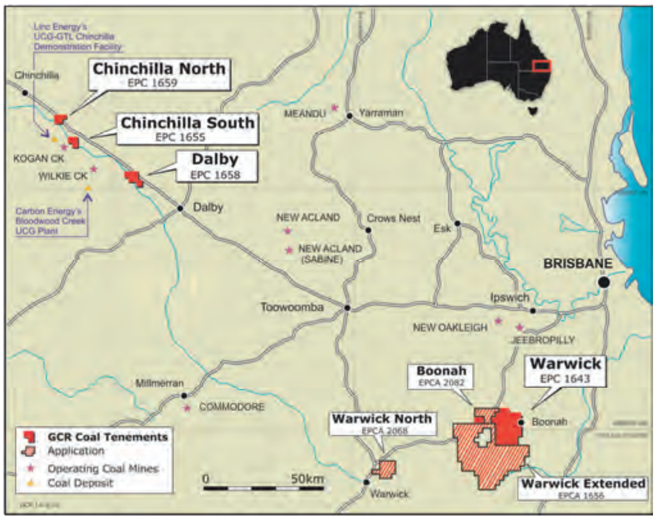

Figure 10: Clarence Moreton Surat Basin Permits

Figure 11: Galilee Basin Competing Application Permit

The Chinchilla region licences are located in the vicinity of Underground Coal Gasification-Gas to Liquids (UCG-GTL) projects currently operated by Linc Energy and Carbon Energy and open cut coal mines at Kogan Creek and Wilkie Creek. Golden Cross plans to evaluate its licences for previously overlooked deeper "stranded coal seams" suitable for UCG extraction. Drill programs are planned for the granted tenements.

The Queensland Government has announced a suspension of approvals for new UCG plants while a review of existing UCG pilot projects is undertaken. Meanwhile Golden Cross continues to monitor other coal areas in Queensland for opportunities while considering all options for commercialising the current licences via outright exploration, joint venture, or sale.

PANAMA
Gold, Copper
(Golden Cross 90%, MapIntec 10%)

In 2007, Golden Cross applied for 6 exploration tenements covering over 800 square kilometres of ground prospective for porphyry copper and epithermal gold deposits in central Panama. (Figure 12) The tenements were selected using a detailed database acquired from MapIntec Geotechnologies Inc, which retains a 10% free carried interest in the application areas. High quality aeromagnetic, radiometric and geochemical assay data were utilised to generate exploration targets.

Panama remains an underexplored location despite the recent successes with mine production commencing at the Molejon Gold Project (Petaquilla Minerals Ltd), and Cobre Panama (Inmet Mining, under development). Geologically, Panama hosts numerous Tertiary intrusions ranging in composition from diorite to quartz monzonite. At least 8 of these intrusions are known to contain copper mineralisation. In central Panama, Cerro Colorado (1,750MT @ 0.64%Cu) and Cobre Panama, formerly known as Petaquilla, (>2,000 Mt @ 0.5% Cu) are world-class deposits.

Figure 12: Panama Prospect Locations

Much of the prime exploration areas in the Cordillera Central, and the areas targeted by Golden Cross have been historically difficult to access as they remain within the Comarca Ngobe-Bugle Indigenous homelands. Golden Cross has hired experienced international and Panamanian social specialists to liaise with the traditional owners to foster good working relationships and obtain work permits.

Although the granting of new concessions by government authorities has been slow in recent years, the new Martinelli Administration has accelerated reforms in this area. Both the Cerro Colorado and Santa Rosa mining concessions will go to international tender and Golden Cross' "Cordillera Alta" concession has already been elevated to "eligibility status". This is the first of Golden Cross' concessions to reach this level, in which publication in the official gazette, and posting of edicts in community centres is a precursor to the granting of title. Following approval, the progressive granting of the concession applications should pave the way for resumption of low-cost exploration field work.

GOLDEN CROSS FARM-OUTS

Golden Cross has maintained a strategy of acquiring and exploring known mineralised systems. In 14 years since listing, it has built up a valuable portfolio of base and precious metal projects. With the increased focus on Copper Hill over the past few years, maintaining the level of activity required to explore all tenements has not been possible and joint venturers have joined Golden Cross to advance these projects. Golden Cross has the right to retain useful equity in each project or dilute to a royalty interest. Golden Cross has also chosen high quality joint venturers with the capacity to take the projects forward.

Figure 13: Golden Cross Farm-Outs

KEMPFIELD, SUNNY CORNER, AND WEST WYALONG, NEW SOUTH WALES

Silver, Gold, Base Metals
(Argent Minerals Ltd earning up to 70%)

Argent Minerals Ltd listed on the ASX in April 2008. Argent was required to spend $4.461 million on exploration and development work to earn 70% equity in all three projects.

Kempfield
(Argent Minerals 51%, earning 70%)

In July 2010 Argent Minerals announced it had satisfied the expenditure condition on Kempfield by spending more than $2 million (namely, $2.2 million) to earn 51% interest in that prospect. Argent intends to spend a further $0.5 million under the joint venture agreement to total $2.7 million and progress to a 70% interest in the prospect.

During the year Argent undertook additional exploration and development work leading to a revised resource estimate. Following drilling and a change in the cut-off grade to reflect higher silver prices, an increased resource was generated, containing 21.2 million ounces of silver.

KEMPFIELD SILVER March 2010		Cutoff	Tonnes MT	Ag gpt	Silver Moz.	Pb%	Zn%	Au gpt	Barite %	Silver Moz.
Oxide & Transitional	TOTAL	40 gpt Ag	3.2	79.2	8.1	0	0	0.09	23	8.1
Sulphide	TOTAL	80 gpt AgEQ	6.7	61.6	13.2	0.8	1.7	0.11	17	13.2

Table 3: Kempfield Resource Estimates

The revised resource was an 88% increase on Argent's April 2008 Prospectus forecast and 75% was classified as Measured and Indicated. A scoping study indicated a viable project and Argent commenced a Definitive Feasibility Study which it plans to complete by mid-2011. Once the necessary approvals are obtained the company plans to be in production in 2012.

Sunny Corner
(Argent Minerals earning up to 70%)

Argent may earn 51% by expenditure of $500,000 by 1 June 2011. It may earn up to 70% by the additional expenditure of $186,000 (for a total expenditure of $686,000) by July 2013.

Following first-pass metallurgical test-work and a consultant review of the VMS property during the year, Argent plans to drill five holes.

West Wyalong
(Argent Minerals earning up to 70%)

Argent may earn 51% by expenditure of $750,000 by 1 June 2011. It may earn up to 70% by the additional expenditure of $280,000 (for a total expenditure of $1,030,000) by July 2013.

During the year Argent drilled two holes to follow-up on a previous intercept (2m @ 22.7 g/t Au from 60m down-hole). Low grades were returned from the interpreted extrapolation (8m @ 1.94 g/t Au), although some parallel lodes were intersected and Argent is planning further exploration along strike.

WAGGA TANK, NEW SOUTH WALES
Gold, Silver, Base Metals
(MMG Australia Ltd 51%)

Minerals and Metals Group was formed to acquire the base metals projects of Oz Minerals Ltd in 2008. MMG has earned an initial 51% in the Wagga Tank tenement (Figure 8) by the expenditure of $550,000 and is increasing its interest through further spending according to a dilution formula.

1461 metres of drilling was completed in 5 holes during the December 2009 Quarter, targeting IP anomalies. Several zones of elevated zinc, lead and silver were outlined, up to 20m down-hole, with multiple peak values of 2% zinc, 1% lead and 10.5 ppm silver.

Subsequently the holes were surveyed by Down Hole EM, generating targets for drilling in 2010.

Airborne geophysical surveys (VTEM) were flown over the region, including approximately 900 line kilometres over the Wagga Tank tenements. No responses attributable to massive sulphide bodies have been interpreted to date, with synthesis and evaluation ongoing. Nevertheless, the method has had technical success in similar environments elsewhere and MMG plans to extend coverage over the remainder of the joint venture area.

GILGUNNIA RANGE, NEW SOUTH WALES
Gold, Silver, Base Metals
(MMG Australia Ltd earning 80 %)

During the year MMG Australia Ltd proposed a farm-in over three tenements that formed the northern part of the Rast Project (Figure 7). Under the terms of the agreement, dated 11 November 2009, MMG may earn 80% interest in the tenement package by spending $1,500,000 on exploration by 12 November 2014. Thereafter MMG has an option to earn 90% by a further $4,500,000 of expenditure.

MMG has undertaken broad structural analyses of the tenements and surrounding region. After compilation and review of data, selected areas may be surveyed by airborne EM (VTEM).

MT ISA, QUEENSLAND
Phosphate
(Legend International may earn 80%)

Legend International Holdings Inc continues to explore under the terms of the Golden Cross farm-out agreement over its three 100%-owned Isa Region tenements. Historical exploration outlined phosphate resources in each of the areas and these contribute about one third of Legend's claimed resource inventory. Under the agreement, Legend may earn an 80% interest in phosphate minerals on the tenements by spending $3 million on exploration and development by 7 December 2012. After that Golden Cross may retain a 20% interest in the phosphate minerals, free-carried to a decision to mine

Golden Cross retains all rights to all other minerals, including uranium, which may occur in a wide variety of geological settings in the Proterozoic basement or in the Cambrian Georgina Basin (Figure 9), which also hosts the phosphatic strata. Legend is required to include uranium in the suite of elements assayed from all phosphate program samples.

During the year, Legend completed a review of its 2008 airborne geophysical survey and commenced RC drilling at Lily & Sherrin Creek in June. Preliminary assay results from 13 holes totalling 762 metres returned assays up to 8m @ 25% P_2O_5 at Sherrin Creek while Lily Creek returned generally lower grades around 8% P_2O_5. Follow-up core drilling is planned.

CULLARIN, NEW SOUTH WALES
Gold, Silver, Base Metals
(TriAusMin 62.5%)

The tenement, located near Breadalbane NSW, is underlain by host lithologies similar to the Woodlawn massive sulphide zinc-lead-silver deposit 30 kilometres southeast and the MacPhillamys gold-zinc deposit 100 kilometres to north. TriAusMin Ltd acquired Tri Origin Minerals Ltd's rights under the 2006 agreement and earned 51% interest by spending $200,000 on exploration before further expenditure took it to 62.5%. During the year TriAusMin undertook technical reviews ahead of planning further drilling.

ROYALTIES

The Company holds the royalties set out in the table headed 'Interests in Mining Tenements' at page 49 of this Annual Report together with the Excellence in Mining & Exploration Conference royalty. Further details are set out below.

ADELONG, NSW

The Company holds a 1% gold production royalty, capped at 2,500 oz, over the Adelong Gold Project in NSW. The Company sold the project to Tasman Goldfields Limited in 2007. The Company does not expect to receive any payments before 2012.

CANBELEGO, NSW

A termination deed dated 10 October 2008 cancelled the 5% net profits interest over former EL5131. The interest was granted by Golden Cross Operations Pty Ltd to Nosebi Mining & Management Pty Ltd and Dowmill Pty Ltd in a letter agreement dated 2 July 1998. The Company does not expect to receive any payments in the near future.

MT BOPPY, NSW

The Company holds a 3% gross royalty over gold production from the Mt Boppy Gold Mine at Canbelego, NSW, owned by Polymetals. During the year to 30 June 2007, the Company received royalty payments totaling 750 ounces of gold, of which the Company's 95% share was sold on the spot market. The remaining 5% of the royalty was paid to former Mt Boppy tenement holders. Since then, the Company has bought the interests of the former Mt Boppy tenement holders so would be entitled to 100% of any future royalties. The Company does not expect payments to resume before 2012.

WYOMING ONE, NSW

The Company holds a royalty of up to 5% net smelter return over the area of EL 5830, held by Alkane Exploration Limited. EL 5830 contains the southern portion of the Wyoming One gold resource of over 500,000 ounces, near the town of Tomingley, NSW.

The royalty comprises $0.75 per tonne for the first 0.5 Mt, then 3% net smelter return up to 150,000 oz of gold production, then 5% net smelter return. Ten percent of the royalty is payable to Metallic Resources Pty Ltd. The Company does not expect to receive any payments in the near future.

YELLOW MOUNTAIN, NSW

The Company holds a 2% net smelter return royalty over former EL 5721 "Yellow Mountain", in addition to a 30% participating interest in the Yellow Mountain exploration joint venture with Triako Resources Pty Limited, a subsidiary of CBH Resources Limited. On 16 August 2010, Triako granted an option to Paradigm Metals Limited, the exercise of which would give Paradigm the right to acquire 51% of the joint venture from Triako, leaving the Company with its 30%. Yellow Mountain lies 20 km to the west of the Mineral Hill Mine in NSW. The Company does not expect to receive any payments in the near future.

BRIGHTSTAR ALPHA, WA

The Company holds a 2% gross royalty over former E38/970 near Laverton. The area contains the southeastern part of the 2 km long BrightStar Alpha Area under exploration by A1 Minerals Limited. The Company does not expect to receive any payments in the near future.

MT WELD AREA, WA

This 2% gross royalty relates to the former E39/636 near Laverton and was provided for in the same deed and on the same terms as the BrightStar Royalty. The Company does not expect to receive any payments in the near future.

EXCELLENCE IN MINING & EXPLORATION CONFERENCE

The Company holds a 20% non-participating interest and a 3% gross royalty in the annual Excellence in Mining & Exploration Conference. The conference is run by Aspermont (publisher of MiningNews.net, Resource Stocks, and other publications), based in Perth. The most recent conference was held from 20 to 22 September 2010 at the Hilton Hotel in Sydney.

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Golden Cross Resources Ltd ("GCR") and the entities it controlled at the end of, or during, the year ended 30 June 2010.

DIRECTORS AND COMPANY SECRETARIES

The qualifications, experience, and special responsibilities of the Company's directors and the qualifications and experience of each company secretary in office during the financial year and until the date of this report, unless noted otherwise, are as follows.

Director	Qualifications and Experience	Special Responsibilities
Chris Torrey	Interim Chairman from 2 July 2008, Chairman since 13 January 2009. Non-executive Director since 10 February 2006. Exploration Manager from 1996 to 2006. MSc, MAIG, FSEG, RP Geo. Geoscientist also playing important roles in corporate financing and governance. Since 2006, Principal Geologist for a Sydney-based consultancy providing geological and exploration services to exploration companies in Australia, New Zealand, and Latin America. 30 years experience in global mineral exploration holding senior and management positions in Australia, New Zealand, United States, Indonesia and Panama. Exploration experience encompasses circum-Pacific porphyry copper-gold and epithermal gold, massive sulphides (VMS) in Tasmania and Northern Australia and Andean silver. Worked for large mining companies Noranda and Cyprus/Amax 1996.	Chairman of the Remuneration Committee, Member of the Audit Committee and Chairman of that Committee.
Xiaoming Li	Non-executive Director since 13 January 2009. Over 20 years of experience in mining investment and operation. Successfully invested in several significant iron, copper, zinc, and lead mines in Mongolia, Kazakhstan, Chile, Philippines, Cambodia, and China. Chairman of China United Mining Investment Co., Ltd (CUMIC), Qinglong (International) Group, and Hong Kong Lungming Investment Ltd., which is in its IPO (initial public offering) process on the Hong Kong Exchange.	
Kim Stanton-Cook	Managing Director since 1 March 2006. BA (Geology and Geophysics), MAIG, GSA, ASEG, SEG. Geologist with over 30 years' experience. Held senior management roles with several major companies including Getty Oil and Delta Gold, where he was involved in the discovery and proving up of the Kanowna Belle Gold Mine. Involved in mineral exploration and development for gold, base metals and uranium throughout Australia and North America. Explored for a range of metals in New Zealand, Papua New Guinea, Southeast Asia and Zimbabwe.	
Hui (Steven) Xiao (Resigned 1 June 2010)	Director since 13 January 2009, Business Development Director since 26 February 2009. Over 15 years of professional experience in financial industry and mining investment at various asset management companies and financial investment groups. His focus has been on mining investment, securities investment, industry investment, merger and acquisition, corporate finance. Holds an Assets Management Licence issued by Hong Kong SFC（Securities and Futures Commission). Has managed over US$200M as a chief partner.	
Xun (Suzanne) Qiu	Non-executive Director since 13 January 2009. Director of HQ Mining Resources Holdings Pty Ltd. Marketing and tour management professional with seven years experience in the tourism industry, with particular emphasis on Chinese Government delegations. Introduced over 100 groups of Chinese delegates to various industries and councils across Australia.	Member of the Remuneration and Audit Committees.
David Timms	Non-executive Director since 1 March 2006. Managing Director from incorporation in 1994 to 2006. BSc (Hons), PEng, FAIG, FAusIMM. Manager, Amoco Minerals Australia from 1972 to 1985. Exploration Manager, Cyprus Gold from 1985 to 1990. Managed teams that discovered 30 mineable deposits including Red Dome, Gidgee, Junction Reefs, Selwyn-Starra, Moline, Mt McClure, Gold Ridge (Sol. Is) and Dinkidi (Phil.)	Member of the Remuneration Committee.
Daven Timms	Company Secretary, Legal Counsel, and CFO until 31 October 2008 (jointly from 13 October 2008). Alternate Director to David Timms since 2003. Executive Director from incorporation in 1994 to 2003. BSc, LLB (Hons), AMPLA, MAusIMM, FinSIA. Solicitor with over 15 years' experience. Corporate Solicitor and Company Secretary, Delta Gold, from 1998 to 2001. Corporate Lawyer, Aurion Gold, 2002.	-
Simon Lennon	Company Secretary, Legal Counsel, and CFO since 13 October 2008 (jointly until 31 October 2008). BSc, LLB, MCom, MBA, ACIS. Legal counsel and company secretary for the shipping division of a multinational transport company, 1988 to 1994. Legal counsel and company secretary for a multinational shipping company, 1994 to 1999. Legal general manager for an Australasian gold mining company and company secretary of its stock exchange listed subsidiary, 2000 to 2001. Legal counsel and company secretary for a major manufacturing company, 2003 to 2006. Interim insurance manager for a multinational funds management company, 2007 to 2008	-
Yan Li	Since 30 June 2010, on 5 July 2010, Xiaoming Li appointed his nephew Yan Li, who lives in Sydney, to be his alternate Director. Yan Li holds an executive MBA from the People's University of China and is a director of Beijing Shiji Qinlong Hi-Tech Co. Ltd.	-
Jingmin Qian	The annual general meeting on 29 November 2010 will consider a motion to elect Jingmin Qian BEc, MBA, CFA, GAICD a director of the Company. Ms Qian has been a strategy, investment and project management professional for more than 15 years. She is currently Group Strategy and Planning Manager of Leighton Holdings involved in strategy development, planning, research, merger and acquisitions, investment review and project management across Australia, Asia, Middle East, and North America. She has previously held management roles in the Ministry of Commerce in China and L.E.K. consulting and Boral Ltd in Australia with a focus on the construction and resources industries. She is Secretary and Membership Chair at CFA Institute Society of Sydney. HQ Mining Resources Holding Pty Ltd has nominated her to be a director of the Company.	-

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the year consisted of mineral exploration and development, with a focus on exploration for copper and gold as well as base metals, uranium, coal and phosphate.

OBJECTIVES

The Company's long-term objective is to participate in the discovery of one or more world-class mineral deposits. The short-term objective is to add value through exploration and development of mineral properties. Value may be added through identifying and acquiring mineral properties in prospective locations, generating drill targets through sampling and geological modelling, delineating resources, entering into beneficial farm-in arrangements with other companies, or developing projects through to production to provide cash flow.

The Company is assessing and further exploring its Copper Hill Project, has added to its portfolio a number of properties prospective for coal, phosphates and uranium, and has expanded its global reach to include Panama.

DIVIDENDS

The Directors' report that during the year ended 30 June 2010, no dividends were declared or paid. The Directors of the Company do not recommend the payment of a dividend in respect of the financial year.

OPERATING AND FINANCIAL REVIEW

The most significant developments in the Company's operations and financing activities were:

1. **Fundraising** through a share issue raised $8.1 million and the completion of the2007 sale of Challenger Mines Ltd raised a further $1.195 million. At 30 June 2010, the group held cash reserves of $7.875 million.
2. **Copper Hill**, where the Company appointed China Automated Control Systems to carry out a feasibility study into mining the deposit.
3. **Labrador**, from which the Company withdrew.
4. **Seven active farm-ins and other joint ventures on GCR properties** were in place at year-end, as follows:
    - Cullarin with Tri Origin Minerals;
    - Kempfield with Argent Minerals;
    - Mt Isa Phosphates with Legend International Holdings (Highland Plains; Lily & Sherrin Ck, Quita Ck).
    - Sunny Corner with Argent Minerals;
    - Wagga Tank with MMS;
    - West Wyalong with Argent Minerals; and
    - Yellow Mountain with CBH Resources (joint venture);

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

At the date of this report there are no matters that have arisen since 30 June 2010 that have significantly affected or may significantly affect the operations of the consolidated entity in future financial years, the results of operations in future financial years, or the state of affairs in future financial years of the consolidated entity.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

GCR is active on all of its major properties, and all of its farm-in and joint venture partners are actively exploring under the various farm-in and joint venture arrangements.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity is subject to significant environmental regulation in respect to its exploration activities. The Company meets the standards set by the Australian Minerals Industry Code for Environmental Management.

The Company has developed criteria to determine areas of 'particular' or 'significant' importance, with regard to environmental performance. These are graded 1 to 4 in terms of priority.

Level 1 incident	major non-compliance with regulatory requirement resulting in potential public outcry and significant environmental damage both long and short-term nature.
Level 2 incident	significant non-compliance resulting in regulatory action, however environmental damage is only of a short-term nature.
Level 3 incident	minor non-compliance – no fine is imposed, however regulatory authority is notified.
Level 4 incident	non-compliance with internal policies and procedures. The incident is contained on-site.

No reportable incidents occurred during the year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into deeds of indemnity, insurance and access with the directors, indemnifying them against claims, liabilities and defence costs, to the extent permitted by the Corporations Act.

During the financial year, the Company paid a premium to insure the Directors and other officers of the Company and its wholly owned subsidiaries. Under the terms of the policy, the policy premium and policy liability cannot be disclosed.

REMUNERATION REPORT – AUDITED

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Group. For the purposes of this report Key Management Personnel (**KMP**) of the group are those persons responsible for the strategic direction and operational management of the Company.

REMUNERATION PHILOSOPHY

The Company's aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company officers and directors are remunerated to a level consistent with the size of the Company. KMP, including Directors, may participate in the Share Acquisition Scheme and Employee Option Plan, which assist in the motivation and retention of KMP.

NON-EXECUTIVE DIRECTORS' FEES

The current base fees, last reviewed in March 2004, are $30,000 for a Non-executive Director and $40,000 for the Chairman. These are within the aggregate Directors Fee Pool Limit of $150,000 set at the 2002 Annual General Meeting ("AGM").

EXECUTIVE REMUNERATION

Executive management is remunerated at a level appropriate to an exploration company the size of GCR. Remuneration is set having regard to performance and relevant comparative information. In addition to a base salary, remuneration packages include superannuation, termination entitlements, fringe benefits and Employee Options. Employee Options are issued, following a recommendation to the Board by the Remuneration Committee, in consideration of an employee's efforts undertaken on behalf of the Company, and assist with the motivation and retention of employees. The issue of options to Directors requires shareholder approval.

SERVICE AGREEMENTS

Remuneration and other terms of employment for Executive Directors are formalised in written agreements.

Kim Stanton-Cook, Managing Director, is employed under a contract with an initial twelve month term that commenced on 1 March 2006. It provides for termination by either party on three months' notice. No termination benefits are provided for in addition to statutory entitlements.

Hui (Steven) Xiao, Business Development Director, was employed under contract from 26 February 2009 until his resignation on 1 June 2010. No termination benefits were provided for in addition to statutory entitlements.

Simon Lennon, Company Secretary, Legal Counsel, and Chief Financial Officer, is employed under a contract with an initial twelve month term that commenced on 13 October 2008. It requires him to perform services three days each week and provides for termination by either party on three months' notice. No termination benefits are provided for in addition to statutory entitlements.

There are no service agreements in place for the Non-executive Directors. Daven Timms, Alternate Director for David Timms, provides legal services to the Company through his law firm, Resources Legal Pty Ltd. Since 1 November 2008, that has been on a fee for service basis.

DETAILS OF KEY MANAGEMENT PERSONNEL

DIRECTORS AND COMPANY SECRETARIES

Chris Torrey	Chairman
Xiaoming Li	Director
Kim Stanton-Cook	Managing Director
Hui (Steven) Xiao	Business Development Director to 1 June 2010
Xun (Suzanne) Qiu	Director (non-executive)
David Timms	Director (non-executive)
Simon Lennon	Company Secretary, Legal Counsel, and Chief Financial Officer
Daven Timms	Alternate Director for David Timms

EXECUTIVES

Bret Ferris	Exploration Manager

REMUNERATION REPORT – AUDITED (continued)

REMUNERATION OF KEY MANAGEMENT PERSONNEL FOR YEAR ENDED 30 JUNE 2010

	Short Term Benefits			Post Employment Benefits	Share-based payment		
Year ended 30 June 2010 **Name**	**Short Term: Salary/Fee $**	**Cash bonus $**	**Non-monetary benefits S**	**Superannuation $**	**Options $**	**% of remuneration in options**	**Total $**
Chris Torrey	40,899	-	-	2,700	-	-	43,599
Xiaoming Li	-	-	-	-	-	-	-
Kim Stanton-Cook	175,000	-	-	15,750	-	-	190,750
Hui (Steven) Xiao to 1 June 2010	151,250	-	-	13,613	-	-	164,863
Xun (Suzanne) Qiu	30,000	-	-	2,700	-	-	32,700
David Timms	30,000	-	-	2,700	-	-	32,700
Daven Timms	5,300	-	-	-	-	-	5,300
Simon Lennon	124,800	-	-	11,232	-	-	136,032
Bret Ferris	163,125	-	-	-	-	-	163,125
Total	720,374	-	-	48,695	-	-	769,069

None of the Key Management Personnel's remuneration is performance related.

REMUNERATION OF KEY MANAGEMENT PERSONNEL FOR YEAR ENDED 30 JUNE 2009

	Short Term Benefits			Post Employment Benefits	Share-based payment		
Year ended 30 June 2009 **Name**	**Salary/Fee $**	**Cash bonus $**	**Non-monetary benefits $**	**Superannuation $**	**Options* $**	**% of remuneration in options**	**Total $**
Chris Torrey	40,000	-	-	3,165	12,079	21.9%	55,244
Xiaoming Li since 13 January 2009	-	-	-	-	-	-	-
Kim Stanton-Cook	175,000	-	-	15,750	31,425	14.1%	222,175
Hui (Steven) Xiao since 13 Jan 2009	63,438	-	-	5,709	-	-	69,147
Kerry McHugh to 13 January 2009	15,000	-	-	1,350	12,079	42.5%	28,429
Xun (Suzanne) Qiu since 13 Jan 2009	15,000	-	-	1,350	-	-	16,350
David Timms	30,000	-	-	2,700	12,079	27.0%	44,779
Daven Timms to 31 October 2008	53,070	-	-	-	18,119	25.5%	71,189
Simon Lennon since 13 October 2008	88,800	-	-	7,992	-	-	96,792
Rob Harley to 15 July 2008	5,000	-	-	11,943	-	-	16,943
Bret Ferris since 19 February 2009	60,519	-	-	-	-	-	60,519
Christopher Ryan to 2 July 2008	-	-	-	11,667	27,178	69.8%	38,845
Total	545,827	-	-	61,626	112,959	-	720,412

KEY MANAGEMENT PERSONNEL OPTIONS OUTSTANDING AS AT 30 JUNE 2010

Year ended 30 June 2010 Name	Vested Number	Granted number **	Grant date	Weighted Average Fair Value per option* (cents)	Exercise Price $	First exercise date	Last exercise date
Chris Torrey	1,000,000	1,000,000	13.04.06	4.91	0.10	13.04.06	31.03.11
Kim Stanton-Cook	5,000,000	5,000,000	13.04.06	5.07	0.08	13.04.06	31.03.11
David Timms	1,000,000	1,000,000	13.04.06	4.91	0.10	13.04.06	31.03.11
Daven Timms	1,500,000	1,500,000	13.04.06	4.91	0.10	13.04.06	31.03.11
Total	8,500,000	8,500,000					

REMUNERATION REPORT – AUDITED (CONTINUED)

KEY MANAGEMENT PERSONNEL OPTIONS OUTSTANDING AS AT 30 JUNE 2009

Year ended 30 June 2009 Name	Vested Number	Granted number *	Grant date	Weighted Average Fair Value per option on grant date (cents)*	Exercise Price $	First exercise date	Last exercise date
Chris Torrey	1,000,000	1,000,000	13.04.06	4.91	0.10	13.04.06	31.03.11
Kim Stanton-Cook	5,000,000	5,000,000	13.04.06	5.07	0.08	13.04.06	31.03.11
Kerry McHugh	1,000,000	1,000,000	13.04.06	4.91	0.10	13.04.06	31.03.11
David Timms	1,000,000	1,000,000	13.04.06	4.91	0.10	13.04.06	31.03.11
Daven Timms	1,500,000	1,500,000	13.04.06	4.91	0.10	13.04.06	31.03.11
Chris Ryan	2,250,000	2,250,000	13.04.06	4.91	0.10	13.04.06	31.03.11
Total	11,750,000	11,750,000					

Note: * The amounts disclosed above for equity remuneration relating to options are the assessed fair values of options at the date of grant, allocated pro rata over the period between grant date and vesting date. Fair values have been assessed using the Black & Scholes option pricing model. Factors taken into account by the model include the exercise price, term of the option, share price on the date of grant and expected price volatility of the underlying share, expected dividend yield and risk-free interest rate for the term of the option. Vesting and any performance hurdles are not taken into account. Employee options vest as follows: Pre-November 2008 expiry dates: on date of grant, 0%; after 1 year, 10%; after 2 years, 25%; after 3 years, 45%, after 4 years 70% and after 5 years 100%. For expiry dates of November 2008 and beyond: on date of grant, 10%; after 1 year, 30%; after 2 years, 60%; after 3 years, 100%. Employee Options held in the name of a related party nominee are included in the table under the name of the relevant office bearer. Option holders have no rights to participate in new issues of shares. When exercisable, each option is convertible into one ordinary share. No options were exercised during the 2009 or 2010 financial years

Note ** Excludes options obtained from 2010 share issue.

As at the date of this report, the interest of the directors in the shares and options of Golden Cross Resources Ltd were:

	Number of ordinary shares	Number of options obtained from April 2010 share issue	Total Number of options over ordinary shares
Chris Torrey	553,334	-	1,000,000
Kim Stanton-Cook	300,000	100,000	5,100,000
David Timms	30,927,116	500,000	1,500,000
Daven Timms	2,000,000	-	1,500,000
Xun Qiu	200,000	-	-

The total number of options outstanding at 30 June 2010 and at the date of this report was 17,985,000 (2009: 18,025,000) As a result of participating in the April 2010 share issue Kim Stanton-Cook was on 24 April 2010 granted 100,000 options and David Timms with 500,000 options exercisable on 30 March 2011 at 4 cents each.

ANNUAL GENERAL MEETING

The Company's 2010 Annual General Meeting is scheduled to be held at History House, 133 Macquarie Street, Sydney, NSW, at 4 pm on Monday 29 November 2010. (Please note this date replaces that previously advised.)

ROUNDING

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar, in accordance with that Class Order.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Directors (including meetings of committees of Directors) held during the year ended 30 June 2010, and the numbers of meetings attended by each Director were:

Name	Full Board Meetings Held While a Director	Full Board Meetings Attended While a Director	Audit * Committee Meetings Held While a Member	Audit * Committee Meetings Attended While a Member
Chris Torrey	7	7	2	2
Xiaoming Li	7	-	-	-
Kim Stanton-Cook	7	7	-	-
Hui (Steven) Xiao	7	2	-	-
Xun (Suzanne) Qiu	7	3	2	1
David Timms	7	7	-	-
Daven Timms	7	-	-	-

Note: * There were no meetings of the Remuneration Committee during the year ended 30 June 2010.

This report is made in accordance with a resolution of the Directors.

Kim Stanton-Cook, Managing Director
Sydney, 27 September 2010

CORPORATE GOVERNANCE STATEMENT

The Company's main corporate governance practices are set out below. These practices are generally in line with the ASX Corporate Governance Council's Recommendations dated August 2007 ("Recommendations"), adopted early by the Company, with two exceptions noted in italics. Further information is available in the Corporate Governance section of the Company's website www.goldencross.com.au

THE BOARD OF DIRECTORS

The Board takes ultimate responsibility for corporate governance and operates in accordance with the following principles:

- the Board comprises a minimum of four Directors (and from 13 January 2009 until 1 June 2010 comprised six Directors and since 1 June 2010 has comprised five Directors);
- at least one half of the Board should be Non-executive Directors;
- the Chairman should be an independent Non-executive Director elected by the full Board; and
- The Board should comprise Directors with a broad range of skills and experience relevant to the business of the Company.

The Board Charter is available on the Company's website. The Board considers that its composition provides for the timely and efficient decision-making required by the Company in its present circumstances.

The Company does not comply with Recommendation 2.1, which recommends that a majority of the Board should be independent Directors. The only two independent Directors are Chris Torrey and David Timms, in respect of whom more than three years have elapsed since their cessation of employment in February 2006. Up to three of the six directors (including two or three of the Non-executive Directors) were nominated by HQ Mining Resources Holding Pty Ltd, the largest shareholder in the Company.

Relevant skills and experience of Directors are set out in the Directors' Report and in the Corporate section of the Company's website. Directors' performance is subject to review by the Chairman.

AUDIT COMMITTEE

Since 13 January 2009, the Audit Committee has comprised two Directors, Chris Torrey and Xun (Suzanne) Qiu, and Board advisor Kerry McHugh. Mr McHugh's membership allows the Company to comply with Recommendation 4.2, which recommends that an audit committee have at least three members. Mr Torrey, the Chairman of the Board, is also Chairman of the Audit Committee. Committee meeting attendances are disclosed in the Director's Report.

The purpose of the Audit Committee, as set out in the Charter posted on the website, is to:

- review and report to the Board on the Company's annual report and financial statements
- provide assurance to the Board that it is receiving adequate, up to date, and reliable information
- assist the Board in reviewing the effectiveness of the Company's internal control environment covering:
  - effectiveness and efficiency of operations
  - reliability of financial reporting, and
  - compliance with applicable laws and regulations

The Audit Committee is also charged with the responsibility of recommending to the Board the appointment, removal and remuneration of the auditors, and reviewing the terms of their engagement, and the scope and quality of the audit. Details of the procedures for the selection and appointment of the auditors, and for the rotation of the audit engagement partners, are posted on the website.

In fulfilling its responsibilities, the Committee meets with the auditors at least twice each year and receives reports from management and the auditors. The auditors may communicate directly with the Chairman of the Audit Committee and Board. The auditor attends annual general meetings of the Company to answer questions about the audit.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party, and to obtain external legal or other independent professional advice. The Committee also requires the CEO and CFO to sign off on the Company's financial reports and the soundness of the Company's risk management and internal compliance and control systems.

The Committee reports to the full Board after each Committee meeting. Audit Committee minutes are provided to all Directors.

REMUNERATION COMMITTEE

Since 13 January 2009, the Remuneration Committee has comprised Chris Torrey, Xun (Suzanne) Qiu, and David Timms. Mr Torrey, the Chairman of the Board, is also Chairman of the Remuneration Committee. Committee meeting attendances are disclosed in the Director's Report. Company officers and directors are remunerated to a level consistent with the size of the Company. The Golden Cross Employee Share Acquisition Scheme and Employee Option Plan, approved by shareholders in 2005 and 2006 respectively, assist with motivating and retaining Company employees. (Directors withdrew the motion to renew the Golden Cross Employee Share Acquisition Scheme from the 2008 annual general meeting on 15 October 2008 so there will be no further share issues under that scheme.) Non-executive Directors receive a director's fee and could participate in both the Scheme and the Plan.

The Remuneration Committee Charter is available on the Company's website. The Committee reports to the full Board after each Committee meeting and Remuneration Committee minutes are provided to all Directors.

NOMINATION POLICY

The Company does not comply with Recommendation 2.4, as the Board believes that a Nomination Committee is not warranted by a company the size of Golden Cross. In effect, the full Board acts as the Nomination Committee, subject to the terms and intent of the subscription agreement between the Company and HQ Mining Resources Holding Pty Ltd dated 22 December 2008. The Board's Nomination Policy is posted on the Company's website.

RISK MANAGEMENT

The Company has established a Risk Management Policy, which is posted on the Company's website. Management reports regularly to the Board on its management of material business risks.

The Board has received assurance from the CEO and CFO that the declaration for the financial report, provided in accordance with section 295A of the *Corporations Act,* is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

CONTINUOUS DISCLOSURE POLICY

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company and its controlled entities that a reasonable person would expect to have a material effect on the price of the Company's securities. The Company's Continuous Disclosure Policy is posted on the website.

All information disclosed to ASX is immediately posted on the website and emailed to those parties who have supplied their email addresses. When analysts are briefed on aspects of the Company's operations, the material to be used in the presentation is released to ASX and posted on the Company's website.

COMMUNICATIONS POLICY

The Company's Communications Policy is posted on the Company's website.

SECURITIES TRANSACTION RULES

The Company has in place written Securities Transaction Rules. They bind Directors, officers and employees of the Company and prohibit trading in the Company's securities of anyone in possession of price-sensitive information. They may only trade in the Company's securities or securities of the Company's joint venture partners after notifying the Chairman, Managing Director, or Company Secretary respectively of their intentions to trade. The Securities Transaction Rules are posted on the Company's website.

CORPORATE CONDUCT

The Board has adopted policies on Ethics, Safety & Health, and the Environment. These policies seek to foster high standards of conduct and integrity among employees, officers, and directors. The policies are posted on the Company's website.

INDEPENDENT PROFESSIONAL ADVICE

Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. The Company will only meet that expense if they obtain the advice after obtaining the Chairman's prior written approval, which will not be unreasonably withheld.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2010

	Notes	2010 $'000	2009 $'000
Revenue	5	201	211
Exploration expense	6(a)	(3,193)	(6,192)
General and administrative expenses	6(b)	(1,617)	(2,105)
Loss before income tax benefit		(4,609)	(8,086)
Income tax expense	7	-	-
Loss after income tax benefit		(4,609)	(8,086)
Net loss attributable to members of Golden Cross Resources Ltd		(4,609)	(8,086)
Other comprehensive income (unrealised gain on investments), net of tax		786	-
Total comprehensive loss for the period		(3,823)	(8,086)
Basic loss per share (cents)	8	(0.48)	(1.12)
Diluted loss per share (cents)	8	(0.48)	(1.12)

Consolidated Statement of Financial Position

As at 30 June 2010

	Notes	2010 $'000	2009 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	9	7,876	4,240
Trade and other receivables	10	281	1,612
Prepayments	11	1,191	32
Investments	12	1,387	601
Total Current Assets		10,735	6,485
Non-Current Assets			
Property, plant and equipment	13(b)	478	149
Exploration and evaluation expenditure	13(a)	22,059	22,380
Total Non-Current Assets		22,537	22,529
Total Assets		33,272	29,014
LIABILITIES			
Current Liabilities			
Payables	14	171	2,182
Provisions	15	112	79
Total Current Liabilities		283	2,261
Non-Current Liabilities			
Provisions	16	46	43
Total Non-Current Liabilities		46	43
Total Liabilities		329	2,304
Net Assets		32,943	26,710
EQUITY			
Issued capital	17	55,199	45,183
Reserves	18	1,657	831
Accumulated losses		(23,913)	(19,304)
TOTAL EQUITY		32,943	26,710

Consolidated Statement of Cash Flows

For the year ended 30 June 2010

	Notes	2010 $'000	2009 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,369)	(1,158)
Interest received		155	164
Receipts from farm-in partners		46	48
Research and development tax refund		18	182
Net cash outflow from operating activities	19	(1,150)	(764)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(382)	(89)
Payments for exploration and evaluation		(2,883)	(2,938)
Payments for feasibility study		(1,160)	-
Proceeds from sale investments		-	4
Proceeds from sale of property		-	500
Proceeds from disposal of subsidiary		1,195	200
Acquisition of shares		-	(10)
Security deposits established		-	(69)
Net cash outflow from investing activities		(3,230)	(2,402)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from investing partner		-	2,000
Proceeds from the issue of shares		8,167	2,250
Cost of share issue		(151)	-
Net cash inflow from financing activities		8,016	4,250
NET INCREASE IN CASH HELD		3,636	1,084
Cash at beginning of the reporting period		4,240	3,156
CASH AT END OF THE REPORTING PERIOD	9	7,876	4,240
Non cash financing activities	19	2,000	95

Consolidated Statement of Changes in Equity

For the year ended 30 June 2010

	Issued Capital	Share-based Compensation Reserve	Asset Revaluation Reserve	Net Unrealised Gain Reserve	Accumulated Losses	Total
	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 July 2008	42,838	695	1,792	-	(13,010)	32,315
Loss for the period	-	-	-	-	(8,086)	(8,086)
Total comprehensive loss for period	-	-	-	-	(8,086)	(8,086)
Share issues	2,345	-	-	-	-	2,345
Employee options	-	136	-	-	-	136
Transfer of reserve	-	-	(1,792)	-	1,792	-
As at 30 June 2009	45,183	831	-	-	(19,304)	26,710
As at 1 July 2009	45,183	831	-	-	(19,304)	26,710
Loss for the period	-	-	-	-	(4,609)	(4,609)
Other comprehensive income	-	-	-	786	-	786
Total comprehensive income/(loss) for period	-	-	-	786	(4,609)	(3,823)
Share issues	10,167	-	-	-	-	10,167
Share issue costs	(151)	-	-	-	-	(151)
Employee options	-	40	-	-	-	40
As at 30 June 2010	55,199	871	-	786	(23,913)	32,943

1. CORPORATE INFORMATION

The financial report of Golden Cross Resources Ltd (the "Company") for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the directors on 28 September 2010.

Golden Cross Resources Ltd (the "parent") is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation
The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. It has been prepared on an historical cost basis except for investments in listed shares, which are measured at fair value. The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

(b) Statement of compliance
The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(c) New accounting standards and interpretations
(i) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group has adopted the new and amended Australian Accounting Standards and AASB interpretations as at 1 July 2009. Where the adoption of the Standard or Interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

AASB 8 Operating Segments

AASB 8 replaced AASB 114 Segment Reporting upon its effective date. As of 1 July 2009, the Group determines and presents operating segments based on the information that internally is provided to the Chief Executive Officer and the Board of Directors, who are the Group's chief operating decision makers. This is in line with the adoption of AASB 8 Operating Segments. Previously, operating segments were determined and presented in accordance with AASB 114 Segment Reporting.

Comparative segment information has been re-presented in conformity with the transitional requirements of AASB 8. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on loss per share or net assets.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses that related to transactions with any of the Group's other components) and/or for which it has yet to earn revenues (including start-up operations).

An operating segment's operating results, for which discrete financial information is available, are reviewed regularly by the Chief Executive Officer and the Board of Directors to make decisions in assessing performance and in determining the allocation of resources.

Segment results that are reported to the Chief Executive Officer and the Board of Directors include items directly attributable to a segment. Unallocated items comprise mainly of head office expenses, and interest expenses.

AASB 8 disclosures are reported in note 25, including the related revised comparative information.

AASB 101 Presentation of Financial Statements

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present one statement.

(ii) Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2010 are outlined below:

AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

The Improvements to IFRS project is an annual process that the IASB has adopted to deal with non-urgent but necessary amendments to IFRS. The amendments result in various accounting changes and terminology or editorial amendments. The amendments become effective for the consolidated entity's 30 June 2011 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions

The amendment clarifies that if an entity receives goods or services that are cash settled by shareholders not within the group, they are outside the scope of IFRS 2. The amendments become effective for the consolidated entity's 30 June 2011 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB132]

The amendment will provide relief to entities that issue rights (fixed in a currency other than their functional currency), from treating the rights as derivatives with fair value changes recorded in profit or loss. The amendments become effective for the consolidated entity's 30 June 2011 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 9 Financial Instruments

AASB 9 becomes effective for the consolidated entity's 30 June 2014 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

AASB 124 Related Party Disclosures (Revised)

The definition of a related party has been clarified to simplify the identification of related party relationships, particularly in relation to significant influence and joint control. The amendments become effective for the consolidated entity's 30 June 2012 financial statements. The consolidated entity has not yet determined the potential impact of the amendments on the consolidated entity's financial report.

All other new Australian Accounting Standards that have been issued but are not yet effective are not expected to have a material impact on the Group.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (collectively, the "Group") as at 30 June each year.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(e) Business combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell) all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of the business combination over the fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. This discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) Cash and Cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and short-term deposits with an original maturity of less than three months.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts, if any.

(g) Trade and other receivables

Trade receivables, which generally have 5-30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(h) Exploration, evaluation, development and restoration costs

Exploration & Evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Exploration & Evaluation – Impairment

The Group assesses at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation cost whether the above carry forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the Income Statement when the above criteria do not apply or when the directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis.

Development

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

Restoration

Provisions for restoration costs of drilling sites and other areas disturbed by exploration activities are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Remaining Mine Life

In estimating the remaining life of the mine at each mine property for the purpose of amortisation and depreciation calculations, due regard is given not only to the volume of remaining economically recoverable reserves but also to limitations which could arise from the potential for changes in technology, demand, product substitution and other issues that are inherently difficult to estimate over a lengthy time frame.

(i) Property held for sale

Where the carrying amount of property and related assets will be recovered principally through a sale transaction rather than through continuing use, the assets are reclassified as Property Held for Sale and carried at the lower of the assets' carrying amount and fair value less costs to sell - where such fair value can be reasonably reliably determined, and otherwise at its carrying amount. Liabilities and provisions related to property held for sale are similarly reclassified to Liabilities - Property Held for Sale and Provisions - Property Held for Sale, as applicable, and carried at the value at which the liability or provision is expected to be settled.

(j) Investments

All investments are initially recognised at fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, being the date that the Group commits to purchase the asset.

Investments in subsidiaries are held at cost less accumulated provisions for impairment.

(k) Interest in jointly controlled operation
The Group has an interest in a joint venture, the Yellow Mountain Joint Venture, which is a jointly controlled operation. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other recourses of the venturers rather than establishment of a separate entity. The Group recognises its interest in the jointly controlled operation by recognising its interest in the assets and the liabilities of the joint venture. The Group also recognises the expenses that it incurs and its share of the income that it earns form the sale of goods or services by the jointly controlled operation.

(l) Plant and equipment
Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- plant and equipment - 4 years; and
- motor vehicles - 5 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(m) Leases
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(n) Goodwill and intangibles
Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the fair value of the acquirer's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangibles

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense is taken to the income statement through the "administrative expenses" line item.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite life intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

(o) Pensions and other post-employment benefits
The Group contributes to defined contribution superannuation funds for employees. The cost of these contributions is expensed as incurred.

(p) Trade and other payables
Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Borrowing costs
Borrowing costs are recognised as an expense when incurred, except where they are included in the costs of qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the period.

(r) Provisions and employee leave benefits
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Employee leave benefits

(i) *Wages, salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary

levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(s) Share-based payment transactions
In addition to salaries, the Group provides benefits to certain employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

There are currently two plans in place to provide these benefits:

- the Employee Share Acquisition Scheme; and
- the Employee Option Plan.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Black & Scholes option pricing model.

In valuing transactions settled by way of issue of options, no account is taken of any vesting limits or hurdles, or the fact that the options are not transferable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised is recognised immediately. However, if a new award is substituted for the cancelled award and designated a replacement award on the date it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share except where such dilution would serve to reduce a loss per share.

(t) Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following recognition criteria must be met before revenue is recognised.

Interest

Revenue is recognised as the interest accrues.

Royalties

Royalties are recognised in accordance with substance of the relevant agreement.

Contract exploration

Contract exploration revenue earned from third parties is recognised when rights to receive the revenue are assured.

(u) Income tax and other taxes
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(v) Currency
The functional and presentation currency for the Group is Australian dollars ($). Gains and losses due to movements in foreign exchange rates are recorded in the income statement.

(w) Impairment of assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs.

(w) Impairment of assets (continued)
When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life

(y) Contributed equity
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(z) Segment reporting
(i) Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer and the Board of Directors (the Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. The operating segments identified by management are each exploration tenement.
The Group operates entirely in the industry of mineral exploration, evaluation and development for different metals and minerals, including copper, gold, silver, coal, and others.

Discrete pre-tax financial information, being expenditure incurred year to date and from the start date, about each of these segments is reported to the Chief Operating Decision Makers on a monthly basis.

(ii) Accounting policies

Segment revenue and expenses are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis.

All expenses incurred for exploration and evaluation which qualify for capitalisation as described in note 2 are capitalised.

There are no intersegment transactions within the Group's segment.

The segment results include the capitalised allocation of overhead that can be directly attributed to an individual business segment.

The following items and associated assets and liabilities are not allocated to segments as they are not considered part of the core operations of any segment:

- gain and loss on investments held for trading or available for sale;
- gains and losses on the sale of investments;

- finance costs;
- certain general and administration expenses;
- impairment write offs for full value of tenements; and
- income tax expense/benefit.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's Risk Management Policy sets out the Company's overall risk management framework and policies, including monthly review by the Board of the Company's financial position and financial forecasts, and maintaining adequate insurances.

The Company's cash reserves are held at call with Westpac Banking Corporation and BankWest, in accounts selected to maximise the return of interest.

AASB 7 ("Financial Instruments – Disclosures") requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to AASB 101 ("Presentation of Financial Statements") introduces disclosures about the level of an entity's capital and how it manages capital.

(a) Capital management

The Group considers its capital to comprise its ordinary share capital net of accumulated retained losses.

In managing its capital, the Group's primary objective as an explorer is to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. The Group has no debt, hence has a nil gearing ratio.

In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or consideration of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

(b) Principal financial instruments

The principal financial instruments are as follows:

- Cash
- Trade and other receivables
- Investments
- Trade and other payables

The Group does not use derivative financial instruments, and has no off-balance sheet financial assets or liabilities at year-end.

(c) Financial instrument risk exposure and management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. These main risks, arising from the group's financial instruments are interest rate risk, liquidity risk, currency risk, share market risk and credit risk. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(d) General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The Board receives cash flow projections on a monthly basis as well as information regarding cash balances. At the balance sheet date, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

(ii) Interest rate risk

At balance date, the Group is exposed to floating weighted average interest rates for financial assets of 0.00% on $39,527 in cash (2009: 0.05%), 2.95% on $200,000 in deposits at call (2009: 7.20%), between 3.75% and 4.00% on short term deposits of $4,000,000 and between 2.70% and 8.30% on $301,000 in security deposits (2009: 4.50% - 7.79%). All other financial assets and liabilities are non-interest bearing.

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial asset and financial liability is set out in the following tables:

Year ended 30 June 2010			Fixed interest maturing in:				
	Notes	Floating interest rate $'000	1 year or less $'000	over 1 to 5 years $'000	more than 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets							
Cash	10	550	7,250	-	-	76	7,876
Receivables - Current	11	277	-	-	-	1,195	1,472
		827	7,250	-	-	1,271	9,348
Weighted average interest rate		4.45%	5.4%				
Financial liabilities							
Payables	15	-	-	-	-	171	171
Weighted average interest rate		-	-	-	-		
Net financial assets		827	7,250	-	-	1,100	9,177

Year ended 30 June 2009			Fixed interest maturing in:				
	Notes	Floating interest rate $'000	1 year or less $'000	over 1 to 5 years $'000	more than 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets							
Cash	10	200	4,000	-	-	40	4,240
Receivables - Current	11	301	-	-	-	1,311	1,612
		501	4,000	-	-	1,351	5,852
Weighted average interest rate		2.75%	3.81%	-	-		
Financial liabilities							
Payables	15	-	-	-	-	2,182	2,182
Weighted average interest rate		-	-	-	-		
Net financial assets		501	4,000	-	-	(831)	3,670

At balance date, the Group had the following mix of financial assets exposed to Australian Variable Interest rate risk.

	GROUP	
	2010 $'000	**2009 $'000**
Financial Assets		
Cash	550	200
Net exposure	550	200

Risk Exposures and Responses

Judgments of reasonably possible movements:	Post Tax Loss Lower/(Higher)		Equity Lower/(Higher)	
	2010 $'000	**2009 $'000**	**2010 $'000**	**2009 $'000**
+ 1% (100 basis points)	6	2	-	-
- 1% (100 basis points)	(6)	(2)	-	-

(iii) Foreign exchange currency risk

All financial assets and liabilities are denominated in Australian dollars. Where Group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere.

The Group is presently expending funds in Panama to obtain exploration tenements, in which exploration costs are largely denominated in US dollars. A large portion of the Group's expenditures in Panama are subject to unhedged foreign exchange risks. The Group may withdraw from Panama at anytime.

(iv) Share market risk

The Company relies greatly on equity markets to raise capital for its exploration activities, and is thus exposed to equity market volatility. When markets conditions require, for prudent capital management, in consultation with its professional advisers the Group looks to alternative sources of funding, including the sale of assets and royalties.

The capacity of the company to raise capital from time to time may be influenced by either or both market conditions and the price of the Company's quoted shares at that time.

(v) Credit risk

Credit risk arises principally from the Group's trade receivables. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument.

The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments.

The Group trade only with recognized, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitize its trade and other receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Other receivables

Other receivables comprise GST. Credit worthiness of debtors is undertaken when appropriate.

(vi) Equity price risk

Price risk arises from investments in equity securities.

All available for sale equity investments held by the Company are publicly traded on the ASX.

The price risk for listed securities is immaterial in terms of the possible impact on profit and loss or total equity and as such a sensitivity analysis has not been completed.

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The capacity of the company to raise capital from time to time may be influenced by either or both market conditions and the price of the Company's quoted shares at that time.

(e) Accounting policies

Accounting policies in relation to financial assets and liabilities and share capital are contained in note 2.

(f) Fair value of financial assets and liabilities

The fair value of all monetary financial assets and financial liabilities of the Company approximate their carrying value.

The Group classifies fair value measurement using the hierarchy that reflects the significance of the inputs used in making the measurements. Investments held by the Group are fair valued using Level 1 measurements within the hierarchy. The fair value of the investments held by the Group is estimated by using quoted prices in active markets for identical assets or liabilities. The basis for determining fair values is disclosed in note 2(j).

There are no off-balance sheet financial assets or liabilities at year-end.

All financial assets and liabilities are denominated in Australian dollars.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable, based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Significant accounting judgements

Impairment of non-financial assets other than goodwill

The group assesses impairment of all assets (including capitalised exploration costs) at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment.

Significant accounting estimates and assumptions

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date they were granted. The fair value is determined using the Black and Scholes model, with the assumptions detailed in the Remuneration Report. The accounting estimates and assumptions relating to equity-settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

5. OTHER REVENUE

	2010 $'000	2009 $'000
Revenue from non-operating activities		
Interest received	155	163
Royalties	15	19
Other	31	29
Total other revenue	201	211

6. GAINS & EXPENSES

	2010 $'000	2009 $'000
(a) Exploration expense		
Exploration and Evaluation		
Capitalised expenditure written off	3,193	6,192
	3,193	6,192
(b) General & administrative expenses		
Other items		
Employee entitlements	631	309
Superannuation contributions	56	47
Audit fees	51	53
Depreciation of plant and equipment	53	62
Due diligence costs	-	151
Insurance	41	49
Legal	14	7
Operating lease - rental expense	110	108
Overseas admin expense	33	38
Business development	384	221
Stamp duty	11	-
Stock exchange fees	37	33
Share-based payments – employee options	40	136
Unrealised losses (gains) on investments	-	357
Web site and computer maintenance	31	20
Other	125	514
	1,617	2,105

7. INCOME TAX

	2010 $'000	2009 $'000
(a) - The components of income tax expense are:		
Current tax	-	-
Deferred tax benefit	-	-
Total tax benefit	-	-

(i) The Golden Cross Resources Ltd group of companies tax consolidated in Australia on 1 July 2007. There are presently no tax sharing or funding agreements in place.

(ii) The parent entity and each of the subsidiaries are in tax loss for the year and have substantial tax losses carried forward in Australia and Panama.

(iii) The Directors are of the view that there is insufficient probability that the parent entity and its subsidiaries will derive sufficient income in the foreseeable future to justify booking the tax losses and temporary differences as deferred tax assets and deferred tax liabilities.

	2010 $'000	2009 $'000
(b) - Numerical reconciliation of income tax expense to prima facie tax payable is as follows:		
Profit (loss) from operations before income tax expense	(4,609)	(8,086)
Tax at statutory tax rate of 30% (2008 also at 30%)	(1,383)	(2,426)
Tax effect of non-temporary differences	13	172
Tax effect of equity raising costs debited to equity	(34)	(31)
Tax effect of tax losses and temporary differences (recognised)/not recognised	1,404	2,285
Income tax expense	-	-
The non temporary differences are as follows:		
Entertainment expenses	4	4
Non-deductible legals and cost base	-	494
Employee share plan costs	39	136
Others	1	(63)
Total	44	571
Tax effect at 30%	13	172

(c) – There is no amount of tax benefit recognised in equity, as the tax effect of temporary differences has not been booked.

	2010 $'000	2009 $'000
Unclaimed value of share issue costs debited to equity	151	149
Tax benefit of unclaimed residuals at 30%	45	45

	2010 $'000	2009 $'000
(d) – Tax Losses – Revenue		
Unused tax losses for which no tax loss has been booked as a deferred tax asset	34,199	29,959
Potential deferred tax benefit at 30%	10,260	8,988
Net deferred tax liability	(133)	(6,568)
Net deferred tax asset - not booked	10,127	2,420

The benefit of income tax losses will only be obtained if:

(i) the respective companies derive future assessable income of a nature and of an amount to enable the benefit from the deductions for the losses to be realised;

(ii) the respective companies continue to comply with the conditions for deductibility imposed by tax legislation; and

(iii) No changes in tax legislation adversely affect the respective companies in realising benefit from the deductions from the losses.

	2010 $'000	2009 $'000
(e) –temporary tax differences		
Non deductible amounts as temporary differences	(1,060)	(1,046)
Accelerated deductions for tax compared to book	1,504	22,939
Total at 100%	444	21,893
Potential effect on future tax expense @ 30%	133	6,568

8. EARNINGS PER SHARE

	2010	2009
	Cents	Cents
Basic loss per share	(0.48)	(1.12)
	2010 No of Shares	**2009 No of Shares**
Weighted average number of ordinary shares during the year used in the calculation of basic earnings per share	970,238,300	722,227,599
Diluted loss per share	(0.48)	(1.12)
	2010 No of Shares	**2009 No of Shares**
Weighted average number of ordinary shares during the year used in the calculation of diluted loss per share	970,238,300	722,227,599
	2010 $'000	**2009 $'000**
Loss used in calculating basic and diluted loss per share	(4,609)	(8,086)

Options

As part of the share issue completed on 20 April 2010, 453,731,839 options were issued to shareholders.
Options granted to employees, including Key Management Personnel, described in the Remuneration Report, are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent they are dilutive. These options have not been considered in the determination of basic earnings per share.

In 2010 the weighted average number of options that were not included in the calculation of loss per share as they are anti-dilutive: 107,493,418 (2009: 18,505,438).

9. CASH AND CASH EQUIVALENTS

	2010 $'000	2009 $'000
Cash at bank and on hand	76	40
Deposits at call	7,800	4,200
	7,876	4,240

Note: The deposits are held in short term deposits of 30-90 days for which the interest rates at year-end were 5.33% (2009: 3.74%) and an 11am call account at 4.45% (2009: 2.75%).

10. TRADE AND OTHER RECEIVABLES

	2010 $'000	2009 $'000
Security deposits	277	301
Accounts receivable – Tasman (i)	-	1,195
Accounts receivable - other	-	80
Other debtors	4	36
	281	1,612

Security deposits are required by government legislation as a prerequisite to exploration. The cash held in security deposits is not available until leases are relinquished or sold. The deposits are bearing floating interest rates between 5.20% and 6.08% (2009 between 2.70% and 8.30%).

Balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these balances will be received in full.

(i) Tasman has settled $1.195 million debt to the Company in cash with payments of $95,000 received 25 August 2009, $200,000 received 21 January 2010 and $906,510 (including $6,510 in interest) received 7 April 2010.

11. PREPAYMENTS

	2010 $'000	2009 $'000
Prepaid expenses	31	32
Prepayment for feasibility study	1,160	-
	1,191	32

12. INVESTMENTS

	2010 $'000	2009 $'000
Investments in listed companies		
Shares in Alkane Resources Ltd	24	32
Shares in Argent Minerals Ltd	147	133
Options in Argent Minerals Ltd	16	16
Shares in Tasman Goldfields Ltd	1,200	420
At market value	1,387	601

13. EXPLORATION AND EVALUATION EXPENDITURE, MINE PROPERTY, PLANT AND EQUIPMENT

	2010 $'000	2009 $'000
(a) Exploration and Evaluation Expenditure		
Exploration Assets		
Costs brought forward	22,380	26,543
Expenditure incurred during the year	2,872	2,529
Expenditure written off during the year (i)	(3,193)	(6,192)
Disposal of exploration property	-	(500)
Costs carried forward	22,059	22,380
Costs incurred on current areas of interest		
- Copper Hill	1,251	443
- Burra	709	216
- Veraguas – Panama	-	103
- Labrador - Canada	10	591
- Pine Ridge	79	19
- Bowen (including Mt MacKenzie and Mt Cavana)	98	209
- Rast	65	16
- Mulga Tank and Mulga East	236	417
- Queensland Coal	46	14
- Other properties	378	501
	2,872	2,529

(i) Relates to impairment of capitalised exploration expenditure to tenements which are no longer viewed as being economically recoverable.

Exploration and Evaluation Expenditure
Details of the economic entity's exploration tenements are disclosed at the back of the Annual Report.

Recoverability of the carrying amount of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale, of the respective areas of interest.

	2010 $'000	2009 $'000
(b) Property, Plant and Equipment		
Cost	787	404
Provision for depreciation	(309)	(255)
Net book value	478	149
Net book value at beginning of year	149	122
Additions	382	89
Depreciation expense	(53)	(62)
Net book value at 30 June	478	149

14. CURRENT LIABILITIES - Payables

	2010 $'000	2009 $'000
Loan from HQ Mining (i)	-	2,000
Trade payables and other creditors	171	182
	171	2,182

(i) The loan from HQ Mining Resources Holding Pty Ltd was converted into shares after ratification at the shareholder general meeting held 8 October 2009.

Trade payables and other creditors are non-interest bearing and are normally settled on 30-day terms.

15. CURRENT LIABILITIES – Provisions

	2010 $'000	2009 $'000
Opening provision for Annual Leave	79	68
Provisions made during the year	56	79
Provisions utilised during year	(23)	(68)
Closing Provision for Annual Leave	112	79

16. NON-CURRENT LIABILITIES – Provisions

	2010 $'000	2009 $'000
Opening Provision for Long Service Leave	33	26
Provisions made during the year	3	7
Provisions utilised during year	-	-
Closing Provision for Long Service Leave	36	33
Opening Provision for Lease Rehabilitation	10	10
Provisions made during the year	-	-
Closing Provision for Lease Rehabilitation	10	10
Total non-current liabilities – Provisions	46	43

17. CONTRIBUTED EQUITY

	2010 Shares '000	2009 Shares '000	2010 $'000	2009 $'000
Issued and paid up:				
Ordinary shares	1,361,196	809,903	55,199	45,183

Movements in the securities of the Company during the past two years were as follows:

DATE	DETAILS	NO. OF SHARES	ISSUE PRICE CENTS	NO. OF OPTIONS	$'000
30.06.08	Opening	631,103,092		16,095,000	42,838
08.07.08	Issue of Employee Options – note (a)	-		3,600,000	-
02.09.08	Placement	3,800,000	2.5	-	95
30.09.08	Placement	50,000,000	1.5	-	750
30.09.08	Expiry of Employee Options – note (a)			(1,170,000)	-
05.01.09	Placement	45,000,000	1.2	-	540
05.01.09	Expiry of Employee Options – note (a)	-		(500,000)	-
23.02.09	Placement	80,000,000	1.2		960
30.06.09	Closing Balance	809,903,092		18,025,000	45,183
17.08.09	Expiry of Employee Options – note (a)			(40,000)	
09.10.09	Placement	97,560,976	2.05		2,000
20.04.10	Placement	453,731,839	1.8	453,731,839	8,167
	Less transaction costs of share issue				(151)
	Closing Balance	1,361,195,907		471,716,839	55,199

a) The Employee Option Plan, re-approved by shareholders at the March 2006 shareholder general meeting, is described at note 22. Details of options issued to Directors under the Plan are set out in the Directors' Report.

b) At 30 June 2010 the following Employee Options were on issue, 245,000 exercisable by 20 July 2010, 11,750,000 exercisable by 31 March 2011, 540,000 exercisable by 6 October 2011, 1,850,000 exercisable by 10 July 2012 and 3,600,000 exercisable by 4 July 2013 (total of 17,985,000 Employee Options).

Voting Rights

At a general meeting of the Company, every shareholder present in person or by an attorney, representative or proxy has one vote on a show of hands and one vote per ordinary share on a poll.

Options do not carry voting rights.

18. RESERVES

	2010 $'000	2009 $'000
Opening asset revaluation reserve	-	1,792
Transfers out	-	(1,792)
Closing asset revaluation reserve	-	-
Opening net unrealised gain reserve	-	-
Unrealised gain on investment, net of tax	786	-
Closing net unrealised gain reserve	786	-
Opening share-based compensation reserve	831	695
Share based expense	40	136
Closing share-based compensation reserve	871	831
	1,657	831

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements in the fair value of non-current assets. The reserve can only be used to pay dividends in limited circumstances.

Net unrealised gain reserve

The net unrealised gain reserve is used to record after tax increments and decrements in the fair value of investments held as available for sale.

Share-based compensation reserve

The share-based compensation reserve is used to record the value of share based payments provided to employees as part of their remuneration. Refer to note 21 for further details of this plan.

19. STATEMENT OF CASH FLOWS RECONCILIATION

	2010 $'000	2009 $'000
Operating profit/(loss)	(4,609)	(8,086)
Depreciation	53	62
Loss on investments	-	420
Share-based employee remuneration	40	136
Exploration and evaluation expenditure written off	3,193	6,192
Decrease in receivables and other assets	172	887
Decrease in creditors	(35)	(393)
Increase in other provisions	36	18
Net cash outflow from operating activities	(1,150)	(764)

Non-cash financing and investing activities

	2010 $'000	2009 $'000
Share issue to Joint Venture partner	2,000	95
	2,000	95

20. RELATED PARTY DISCLOSURE

Directors

Disclosures relating to Directors are set out in the Remuneration Report, included in the Directors' Report.

Wholly Owned Group

The wholly owned group consists of Golden Cross Resources Ltd and its wholly owned controlled entities, Golden Cross Operations Pty Ltd, King Eagle Resources Pty Ltd and GCR Panama Inc. Ownership interests in these controlled entities are set out in note 24. Golden Cross Resources Ltd is the ultimate parent entity.

Compensation of Key Management Personnel

	2010 $'000	2009 $'000
Short-term employee benefits (Salary/fee)	720	546
Post-employment benefits (Superannuation)	49	38
Termination benefits	-	23
Share-based payments (Shares/Options)	-	113
	769	720

Transactions

Transactions between the Company and related parties in the wholly owned group during the year ended 30 June 2010 and 2009 consisted of:

- loans advanced by the Company; and
- loans repaid to the Company.

Aggregate amounts receivable from related parties in the wholly owned group at balance date were as follows. These loans are non-interest bearing with no fixed repayment terms:

	PARENT ENTITY	
	2010	**2009**
	$'000	**$'000**
Total loans advanced to controlled entities	37,635	32,425
Less provision	(16,426)	(13,593)
Loans advanced to controlled entities	21,209	18,832

Loans to Key Management Personnel

There were no loans to key management personnel or their related entities during the financial year.

Other transactions and balances with Key Management Personnel and their related parties

Chris Torrey is a director and shareholder of CTEX Pty Ltd, which was paid $492 for geological consulting services (2009: $52,323). The contract was based on normal commercial terms and conditions.

Daven Timms is a director and shareholder of Resources Legal Pty Ltd, which was paid fees totaling $5,391 for legal and company secretarial consulting services (2009: $53,070). The contract was based on normal commercial terms and conditions.

There were no amounts outstanding to related parties at 30 June 2010. (2009: $Nil.)

Amounts recognised as expenses

	2010	**2009**
	$	**$**
Geological consulting and business development fees	492	52,424
	492	52,424

Aggregate amounts payable to Directors of the Company at 30 June 2010 relating to the above types of other transactions

	2010	**2009**
	$	**$**
Current/Non-current liabilities	-	101

Shareholdings of Key Management Personnel

Name	**Balance 01.07.09 (number)**	**Received as remuneration (number)**	**Options exercised (number)**	**Acquisition of shares (number)**	**Balance 30.6.10 (number)**
Chris Torrey	553,334	-	-	-	553,334
Kim Stanton-Cook	200,000	-	-	100,000	300,000
Kerry McHugh	1,500,816	-	-	-	1,500,816
David Timms	30,427,116	-	-	500,000	30,927,166
Daven Timms	2,000,000	-	-	-	2,000,000
Xun Qiu	200,000	-	-	-	200,000
Total	34,881,266	-	-	600,000	35,418,266

Option Holdings of Key Management Personnel

Name	**Balance 01.07.09 (number)**	**Granted as remuneration (number)**	**Option expiry (number)**	**Balance 30.06.10 (number)**	**Vested at 30 June 2010**	
					Total (number)	**Exercisable %**
Chris Torrey	1,000,000	-	-	1,000,000	1,000,000	100.0%
Kim Stanton-Cook	5,000,000	-	-	5,000,000	5,000,000	100.0%
Kerry McHugh	1,000,000	-	-	1,000,000	1,000,000	100.0%
David Timms	1,000,000	-	-	1,000,000	1,000,000	100.0%
Daven Timms	1,500,000	-	-	1,500,000	1,500,000	100.0%
Total:	9,500,000	-	-	9,500,000	9,500,000	100.0%

21. SHARE-BASED PAYMENT PLANS

Recognised share-based payment expenses

The expenses recognised for employee services received during the year is shown in the table below:

	2010 $'000	2009 $'000
Payments by way of shares to directors and employees under Share Acquisition Scheme	-	-
Payments by way of options to directors and employees under Employee Option Plan (value of options vested during the year)	40	136
Total	40	136

Types of share-based payment plans

Golden Cross Resources Employee Option Plan

The Golden Cross Resources Employee Option Plan was re-approved by shareholders at the general meeting of shareholders held in March 2006. All employees (including directors and consultants) of Golden Cross Resources Ltd and its controlled entity are eligible to participate in the plan. Employee options vest as follows: on date of grant, 10%; after 1 year, 30%; after 2 years, 60%; after 3 years, 100%. For issues made prior to November 2003 options vested as follows: on date of grant, nil; after 1 year, 10%; after 2 years, 25%; after 3 years, 45%; after 4 years, 70%; and after 5 years, 100%.

The number of employee options on issue at any time must not exceed 5% of the issued capital of the Company at that time.

At 30 June 2010 the Company had on issue 17,985,000 employee options exercisable at 8 cents or 10 cents as follows:

	Number	Exercise Price	Expiry Date
Golden Cross Resources Employee Option Plan Options	245,000	10 cents	20.07.2010 *
	6,750,000	10 cents	31.03.2011 *
	5,000,000	8 cents	31.03.2011 *
	540,000	10 cents	06.10.2011 *
	1,850,000	10 cents	10.07.2012
	3,600,000	10 cents	04.07.2013
	17,985,000		

*Options fully vested as at 30 June 2010.

Valuation inputs for employee options issued that have not fully vested are as follows:

Grant Date	Expiry Date	Exercise price	Dividend yield	Expected volatility *	Risk free interest rate	Expected life of option years	Share Price at Grant date	Fair Value at Grant date
10.07.07	10.07.12	10 cents	0%	100%	6.25%	5	4.4 cents	2.9 cents
04.07.08	04.07.13	10 cents	0%	100%	2.95%	5	3.1 cents	1.6 cents

*Volatility is determined by with reference to historical share prices.

22. COMMITMENTS AND CONTINGENCIES

Commitments in relation to non-cancellable operating leases contracted for are payable as follows:

	2010 $'000	2009 $'000
Operating Leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than 1 year	81	102
Later than 1 year but not later than 2 years	102	-
Commitments not recognised in the financial statements	183	102
Exploration Commitments		
In order to maintain current rights of tenure to exploration tenements, the economic entity has the following discretionary exploration expenditure requirements up until expiry of the leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:		
Not later than one year	439	947
Later than one year but not later than 2 years	279	395
	718	1,352

If the economic entity decides to relinquish certain leases and/or does not meet these joint venture or annual exploration expenditure obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

23. REMUNERATION OF AUDITORS

	2010 $	2009 $
Remuneration for audit or review of the accounts and consolidated accounts of Golden Cross Resources Ltd		
Auditors of parent entity		
- Parent entity	45,435	32,840
- Controlled entities	6,180	20,000
	51,615	52,840

24. PARENT ENTITY INFORMATION

Information relating to Golden Cross Resources Ltd:	2010 $'000	2009 $'000
Current assets	7,854	6,206
Total assets	25,110	27,823
Current liabilities	20	2,032
Total liabilities	20	2,032
Issued capital	55,199	45,183
Accumulated losses	(23,913)	(20,223)
Share-based compensation reserve	871	831
Net unrealised gain reserve	786	-
Total shareholders' equity	32,943	25,791
Loss of the parent entity	(3,690)	(6,874)
Total comprehensive loss of the parent entity	(3,690)	(6,874)
Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries.	-	-
Details of any contingent liabilities of the parent entity.	-	-
Details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment.	-	-

Investments held by parent entity:

Name of Entity	Country of Incorp-oration	Class of Shares	Parent Entity's Investment		Equity Holding		Contribution to Consolidated Operating Profit/ (Loss) After Tax	
			2010 $'000	2009 $'000	2010 %	2009 %	2010 $'000	2009 $'000
Parent Entity								
Golden Cross Resources Ltd							(857)	(1,159)
Controlled Entities								
Golden Cross Operations Pty Ltd	Australia	Ordinary	-	-	100	100	(3,176)	(5,385)
King Eagle Resources Pty Ltd	Australia	Ordinary	2,031	2,772	100	100	(521)	(131)
GCR Panama Inc	Panama	Ordinary	12	13	100	100	(55)	(1,411)
			2,043	2,785			(4,609)	(8,086)

25. SEGMENT REPORTING

The operating segments are reviewed and managed by Chief Operating Decision Makers based on the costs incurred for each exploration tenement throughout the reporting period, which are capitalised to operating segment assets. The operating segments identified by management are based on areas of interest. Expenditure incurred and capitalised for these tenements is disclosed in note 13.

No segment revenues are disclosed within the current financial report as each exploration tenement is not at a stage where revenues have been earned.

Expenses included in the statement of comprehensive income which have not been capitalised to operating segment assets are unallocated as they are not considered part of the core operations of any segment, except for the costs written off as a part of impairment review of exploration tenements (disclosed in note 13), which all relate to the Rest of Australia segment.

OPERATING SEGMENTS

	Copper Hill	Rest of Australia	Panama	Total
2010				
Capitalised expenditure	10,371	12,116	50	22,537
Other current assets	1,160	-	-	1,160
Total assets	**11,531**	**12,116**	**50**	**23,697**
2009				
Capitalised expenditure	9,119	13,360	50	22,529
Other current assets	-	-	-	-
Total assets	**9,119**	**13,390**	**50**	**22,529**

	2010 $'000	2009 $'000
Reconciliation to total assets:		
Total assets by reportable assets	23,697	22,529
Cash and cash equivalents	7,876	4,240
Trade and other receivables	281	1,612
Prepayments	31	32
Investments	1,387	601
Total assets per Statement of financial position	**33,272**	**29,014**

GEORAPHICAL SEGMENTS

	2010 $'000	2009 $'000
Non-current assets by geographical location:		
Australia	22,487	21,515
Panama	50	50
Canada	-	964
Total non-current assets as per Statement of Financial position	**22,537**	**22,529**

26. SUBSEQUENT EVENTS

Yellow Mountain Joint Venture

Golden Cross Operations Pty Ltd, Triako Resources Pty Ltd (a subsidiary of CBH Resources Ltd), and Paradigm Metals Ltd entered into a PDM Option Deed dated 16 August 2010. If Paradigm completes 2,500 metres of air core drilling by 31 March 2011, then it has the option to earn a 30% joint venture interest by spending $300,000 on exploration by 31 March 2012, at which time the relative interests would be Paradigm 30%, Triako 40%, and Golden Cross 30%. Paradigm may elect to spend a further $500,000 by 31 March 2013 to earn an additional 21% joint venture interest, at which time the relative joint venture interests would be Paradigm 51%, Triako 19%, and Golden Cross 30%.

After the second earning period, Triako will receive a 19% free-carried joint venture interest from Paradigm to the first bankable feasibility study. Subject to earning a 51% joint venture interest and before commencement of a bankable feasibility study, Paradigm may elect to purchase all of Triako's joint venture interest for fair market value. After the second earning period, Golden Cross must contribute to retain its 30% interest or dilute accordingly.

DIRECTORS' DECLARATION

The Directors declare that:

In accordance with a resolution of the directors of Golden Cross Resources Ltd, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

> (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
>
> (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2.

(c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2010.

On behalf of the Board

Kim Stanton-Cook

Kim Stanton-Cook, Managing Director,
Sydney, 27 September 2010

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Independent auditor's report to the members of Golden Cross Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Golden Cross Resources Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Auditor's Opinion

In our opinion:

1. the financial report of Golden Cross Resources Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position at 30 June 2010 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Golden Cross Resources Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001.*

Partner Sydney

27 September 2010

INTERESTS IN MINING TENEMENTS (As at 12 October 2010)

LOCATION	TENEMENT NAME	TENEMENT (1)	km^2	HOLDER (2)	% HOLDING	JV PARTNER/NOTES
Panama	Cordillera Alta	2007-81	240	GCRP	100	Application; MTI (3)
	Santa Fe	2007-82	58	GCRP	100	Application; MTI (3)
	Rio Cobre	2007-83	91	GCRP	100	Application; MTI (3)
	El Cope	2007-95	98	GCRP	100	Application; MTI (3)
	Rio Tabasara	2007-96	140	GCRP	100	Application; MTI (3)
	Cerro Mejico	2007-97	163	GCRP	100	Application; MTI (3)
Australia, NSW						
Broken Hill	Broken Hill JV	EL 7390	187	GCO	100	SCI (4)
Cargo	Cargo	EL 5238	60	GCO	100	
Cobar Region	Wagga Tank (Wagga Tank JV)	EL 6695	170	GCO	100	MMG (5)
	Wynwood (Wagga Tank JV)	EL 7226	121	MMG	100	MMG (5)
	Rast North (Gilgunnia Rg. JV)	EL 6879	128	GCO	100	MMG (6)
	Emu Tank (GR JV)	EL 7320	113	GCO	100	MMG (6)
	Kelly's Tank (GR JV)	EL 7323	143	GCO	100	MMG (6)
	Pine Ridge	EL 6753	208	GCO	100	
	Kilparney	EL 6852	9	GCO	100	
	Rast	EL 6878	118	GCO	100	
	Guapa Tank	EL 7051	125	GCO	100	
	Fairview Tank	EL 7065	292	GCO	100	
	Rosevale	EL 7097	277	GCO	100	
	Delaney's Tank	EL 7322	153	GCO	100	
	Burra	EL 7389	15	GCO	100	
	Burthong Creek	EL 7389	9	GCO	100	
	Shango South	ELA 3987	35	GCO	100	New Application
Cullarin	Cullarin JV	EL 6292	147	GCO/TRO	37.5	TRO (7), GCO holds 37.5%
	Cullarin JV	EL 6686	52	TRO	100	TRO (7), GCO holds 37.5%
Molong	Copper Hill	EL 6391	95	GCO	100	
Kempfield	Kempfield JV	EL 5748	121	GCO	100	ARD (8)
	Kempfield Group 2 (Barite)	EL 5645	8	GCO	100	ARD (8)
	Kempfield JV	EL 7134	54	ARD	100	ARD (8)
	Kempfield JV	ELA 3878	200	ARD	100	ARD (8)
	Kempfield Assessment Lease	ALA 0041	9	GCO	100	ARD (8)
	Bean Lease	PLL 519	0.66 ha	GCO	100	ARD (8)
	Henrys' Leases	PLL 517, PLL 727 & 728	2.4 ha	ARD	100	ARD (8)
Sunny Corner	Sunny Corner JV	EL 5964	104	GCO	100	ARD (9)
	Sunny Corner JV	EL 7135	88	ARD	100	ARD (9)
West Wyalong	West Wyalong JV	EL 5915	230	GCO	100	ARD (10)
Yellow Mountain	Yellow Mountain JV	EL 6325	110	GCO/TKO	30	TKO holds 70%/PDM (11)
Queensland						
Bowen	Mt Mackenzie	EPM 15668	150	KER	100	Metal Bank Ltd (12)
	Ten Mile Creek	EPM 15742	150	KER	100	Metal Bank Ltd (12)
Mount Isa	Quita Creek	EPM 14905	276	KER	100	LGDI (13)
	Highland Plains	EPM 14906	300	KER	100	LGDI (13)
	Lily & Sherrin Creek	EPM 14912	300	KER	100	LGDI (13)
Chinchilla (Coal)	Chinchilla South	EPC 1655	9	GCR	100	
	Chinchilla North	EPC 1659	15	GCR	100	
Dalby (Coal)	Dalby	EPC 1658	18	GCR	100	
Boonah (Coal)	Warwick	EPC 1643	136	GCR	100	
Warwick (Coal)	Warwick Extended	EPCA 1656	421	GCR	100	Competing Application (14)
Nebo (Coal)	Nebo	EPCA 1639	193	GCR	100	Competing Application (14)
Pentland (Coal)	Pentland	EPCA 1642	45	GCR	100	Competing Application (14)
Warwick (Coal)	Warwick North	EPCA 2082	51.5	GCR	100	Competing Application (14)
Boonah (Coal)	Boonah	EPCA 2068	39.5	GCR	100	New Application
South Australia						
Coober Pedy	Oolgelima Hill	ELA 137-09	627	GCR	100	New Application
	Giddinna	ELA 229-10	656	GCR	100	New Application
Olympic Domain	Koolymilka	EL 135-09	910	GCR	100	
	Warriner Creek	EL 136-09	536	GCR	100	
	Codna Hill	EL 143-09	747	GCR	100	
Western Australia	Mulga Tank	E 39/988	105	KER	80	PWA (15)
East Yilgarn	Mulga East	E 39/1072	152	KER	75	PWA (15)
	Mulga R	E 39/1439	3	KER	100	
	Mulga O	E 39/1440	3	KER	100	
	Mulga G	E 39/1441	3	KER	100	
	Mulga Eastside	E 39/1442	12	KER	100	
	Mulga Central West	E 39/1513	134	KER	100	

ROYALTIES						ROYALTY TYPE
Adelong (NSW)	Adelong Gold Project	ML 1435, EL 5728, & EL 6372	198	TGX	Royalty	1% gross up to 2,500 oz
Mt Boppy (NSW)	Canbelego	Mt Boppy Gold Mine (on C&M)	2.2	Polymetals	Royalty	3% gross
Canbelego (NSW)	Canbelego	EL 5842	216	GCO	Royalty	5% npi over old EL5131 (16)
Wyoming One (NSW)	McPhails	EL 5830	10	ALK	Royalty	Up to 5% nsr (17)
Yellow Mountain (NSW)	Yellow Mountain	Former EL 5721	110	GCO/TKO	Royalty	2% net smelter return
BrightStar Alpha (WA)	Merolia	Former E 38/970	25	AAM	Royalty	2% gross
Mt Weld Area (WA)	Mt Weld	Former E 39/636	20	AAM	Royalty	2% gross

Notes

(1) E/EL/EPM = Exploration Licence/Permit; ELA = Exploration Licence Application; EPC/A = Exploration Permit/Application for Coal (UCG); and ML = Mining Lease and PLL = Private Land Lease.

(2) Full names for abbreviated names are as follows:

AAM	A1 Minerals Limited (ASX: AAM)	PDM	Paradigm Metals Ltd (ASX: PDM)
ALK	Alkane Resources Limited (ASX: ALK)	Polymetals	Polymetals Mining Services Pty Ltd
ARD	Argent Minerals Limited (ASX: ARD)	PWA	Paul Winston Askins Syndicate
GCO	Golden Cross Operations Pty Ltd, wholly owned subsidiary of GCR	SCI	Silver City Minerals Limited
GCRP	GCR Panama, wholly owned subsidiary of GCR	TGX	Tasman Goldfields Limited (ASX: TGX)
KER	King Eagle Resources Pty Limited, wholly owned subsidiary of GCR	TRO	TriAusMin Minerals Limited (ASX: TRO)
LGDI	Legend International Holdings (OTC: LGDI)	TKO	Triako Resources Limited, wholly owned subsidiary of CBH Resources (ASX: CBH)
MMG	Minerals and Metals Group Australia		
MTI	MapIntec Technologies Inc.		

(3) MapIntec Technologies Inc., a Panamanian company, has a 10% interest free carried to a decision to mine.

(4) Silver City Minerals Limited can earn a 51% interest in gold, silver and base metals, (but excluding nickel - platinum group metals) by spending $600,000 by 8 October 2015; and to earn 80% SCI must spend another $400,000 on exploration and development activities in the subsequent two years to 8 October 2017.

(5) Minerals and Metals Group Australia has spent $550,000 by 6 February 2011 to earn an initial 51% interest in the Wagga Tank Joint Venture at the end of Stage 2 over EL6695 and EL7226. GCO will continue to dilute accordingly in Stage 3.

(6) Minerals and Metals Group Australia has to spend a minimum of $1,500,000 by 12 November 2014 to earn an initial 80% interest at the end of Stage 1 over EL's 7320, 7323, and 6879 for the Gilgunnia Range Joint Venture.

(7) TriAusMin has now earned a 62.5% interest by spending $200,000 to 13 September 2010. GCO will either contribute its share or continue to dilute accordingly.

(8) Argent has earned a minimum of 51% in the Kempfield Joint Venture by spending $2,000,000 by 1 June 2011, and can earn 70% by increasing expenditure to a total of $2,745,000 by 1 June 2013.

(9) Argent Minerals can earn 51% in the Sunny Corner Joint Venture by spending $500,000 by 1 June 2011 in Stage 1.

(10) Argent Minerals can earn 51% in the West Wyalong Joint Venture by spending $750,000 by 1 June 2011. Barrick Gold Corp holds a 2.5% net smelter return.

(11) TKO (CBH) has earned a 70% interest in the Yellow Mountain Joint Venture. Paradigm Metals (PDM) can earn 30% by spending $300,000 by 31 March 2012, and can earn 51% by spending a further $500,000 (total of $800,000) by 31 March 2013 when TKO will dilute to a 19% interest with GCR retaining its 30% interest to that stage.

(12) GCR has agreed to sell EPM15668 Mt Mackenzie and EPM15742 Ten Mile Creek to Metal bank Ltd for cash and shares. GCR expects that the transfer of these two permits will occur in the December quarter, 2010.

(13) Legend International Holdings Inc. is earning 80% in phosphate minerals only by spending $3,000,000 by 7 December 2012. GCR has 100% rights to all other minerals and is free carried to a decision to mine for phosphate only.

(14) GCR expects to know the outcome of all these competitive applications in the December quarter, 2010. EPC1639 Nebo has been assessed as second in line in the competitive application process as at the 8 October 2010, and hence unlikely to be granted unless the priority applicant does not accept the permit grant offer.

(15) PWA has a 20% free carried interest to decision to mine in Mulga Tank. Dilution of PWA's interest in Mulga East due to non-payment by PWA of its 25% contribution to exploration expenditure is a matter of discussion between the parties.

(16) GCO holds a 5% net profits interest over former EL5131.

(17) GCO holds a royalty of $0.75/t (first 0.5 Mt), then 3% net smelter return (to 150,000 oz), then 5% net smelter return. GCO's royalty interest is subject to a 10% free carried interest held by Metallic Resources Pty Ltd.

SHAREHOLDER INFORMATION

The shareholder information set out below was correct at 11 October 2010.

1. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders are as follows:

HQ Mining Resources Holding Pty Ltd	449,940,637 shares	33.0%
(includes 115,899,173 shares held by Yu Jin Investment Co Pte Ltd and 200,000 shares held by Ms Xun Qiu)		
Farjoy Pty Ltd and Aspac Mining Pty Ltd	179,631,950	13.2%

2. RESTRICTED SECURITIES

The Company has no restricted securities on issue.

3. VOTING RIGHTS

One vote for each ordinary share held, in accordance with the Company's constitution.

4. DISTRIBUTION OF SHARES

Holding Range	Holders	Total Held	%
1 - 1,000	175	40,470	0.003
1,001 - 5,000	153	624,083	0.046
5,001 - 10,000	225	1,968,480	0.145
10,001 - 100,000	1,453	67,102,836	4.930
100,001 +	1,021	1,291,460,038	94.877
	3,027	**1,361,195,907**	**100.000**

a) There were 1,191 holders of less than a marketable parcel of fully paid shares (33,334 shares), being less than $500 worth based on the closing price of 1.5 cents per share on 8 October 2010. They amounted to 15,763,805 shares in total, or 1.16% of the total issued share capital of the Company.

b) The percentage holding of the twenty largest holders of shares was 59.289%.

5. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest registered holders of shares are listed below:

	Name	**No. Held**	**%**
1	HQ Mining Resources Holding Pty Ltd	333,841,464	24.526
2	Yu Jin Investment Co. Pte Ltd	115,899,173	8.515
3	Farjoy Pty Ltd	93,076,395	6.838
4	Aspac Mining Limited	86,555,555	6.359
5	Dr Leon Eugene Pretorius	23,133,333	1.699
6	Yandal Investments Pty Ltd	18,000,000	1.322
7	Blue Lake Resources Pty Limited <The Blue Lake A/C>	17,570,000	1.291
8	National Nominees Limited	17,406,830	1.279
9	Mr Allen John Tapp & Ms Maria Polymeneas <Super Account>	16,000,000	1.175
10	Mr Rodney Richard Little	12,000,000	0.882
11	Berenvy Pty Ltd <Paul Joyce Super Fund A/C>	9,500,000	0.698
12	Mr Peter David Timms	9,203,413	0.676
13	Mr John Quirk <John Quirk S/F A/C>	8,553,333	0.628
14	CPU Share Plans Pty Ltd <Golden Cross ESAS A/C>	8,340,855	0.613
15	Mr Robert Cameron Galbraith	7,450,450	0.547
16	Technica Pty Ltd	6,490,321	0.477
17	Blue Lake Resources Pty Limited <John Haggman Super A/C>	6,176,927	0.454
18	Mr David Timms	6,061,228	0.445
19	Samson Developments Pty Ltd	6,000,000	0.441
20	Gotam Pty Ltd <Yatamba Family A/C>	5,778,820	0.425
		807,038,097	**59.289**

6. DISTRIBUTION OF 2011 LISTED OPTIONS

Holding Range			Holders	Total Held	%
1	-	1,000	5	2,221	0.000
1,001	-	5,000	42	165,179	0.036
5,001	-	10,000	55	462,591	0.102
10,001	-	100,000	227	9,307,777	2.051
100,001	+		208	443,794,071	97.810
			537	**453,731,839**	**100.000**

The percentage holding of the twenty largest holders of 2011 Listed Options (with an exercise price of 4 cents each and expiring 31 March 2011) was 84.156%.

7. TWENTY LARGEST OPTIONHOLDERS

The names of the twenty largest registered holders of 2011 Listed Options are listed below:

	Name	**No. Held**	**%**
1	Yu Jin Investment Co. Pte Ltd	115,899,173	25.544
2	HQ Mining Resources Holding Pty Ltd	111,280,488	24.526
3	Farjoy Pty Ltd	55,555,555	12.244
4	Aspac Mining Limited	55,555,555	12.244
5	Yandal Investments Pty Ltd	9,000,000	1.984
6	Mr Matthew David Burford	7,306,000	1.610
7	Kangsav Pty Limited	2,941,714	0.648
8	Jomot Pty Ltd	2,646,166	0.583
9	Samson Developments Pty Ltd	2,500,000	0.551
10	Jacobs Corporation Pty Ltd	2,375,186	0.523
11	Technica Pty Ltd	2,230,107	0.492
12	Mark Costigan Investments Pty Ltd <Mark Costigan Superfund A/C>	2,200,000	0.485
13	City Corp Pty Ltd	1,794,815	0.396
14	Mr Rodney John Hanson	1,725,628	0.380
15	JP Morgan Nominees Australia Limited <Cash Income A/C>	1,521,695	0.335
16	Mr Jin Ming Shi	1,510,026	0.333
17	Toltec Holdings Pty Ltd	1,500,000	0.331
18	Mrs Yvonne Tolato Hill & Mr Graeme Leslie Hill	1,500,000	0.331
19	Banook Pty Ltd <Super Fund A/C>	1,401,269	0.309
20	Mr Rodney Richard Little	1,400,000	0.309
		381,843,377	**84.156**

8. EMPLOYEE OPTIONS

There are also 17,745,000 unlisted employee options on issue, details of which are set out in the financial statements, held by 16 current and former employees.

GOLDEN CROSS RESOURCES LTD
22 Edgeworth David Avenue HORNSBY NSW 2077
ABN 65 063 075 178

Cover Painting "The Molong Copper Mine"
Watercolour by Conrad Martens c.1845, National Library of Australia