

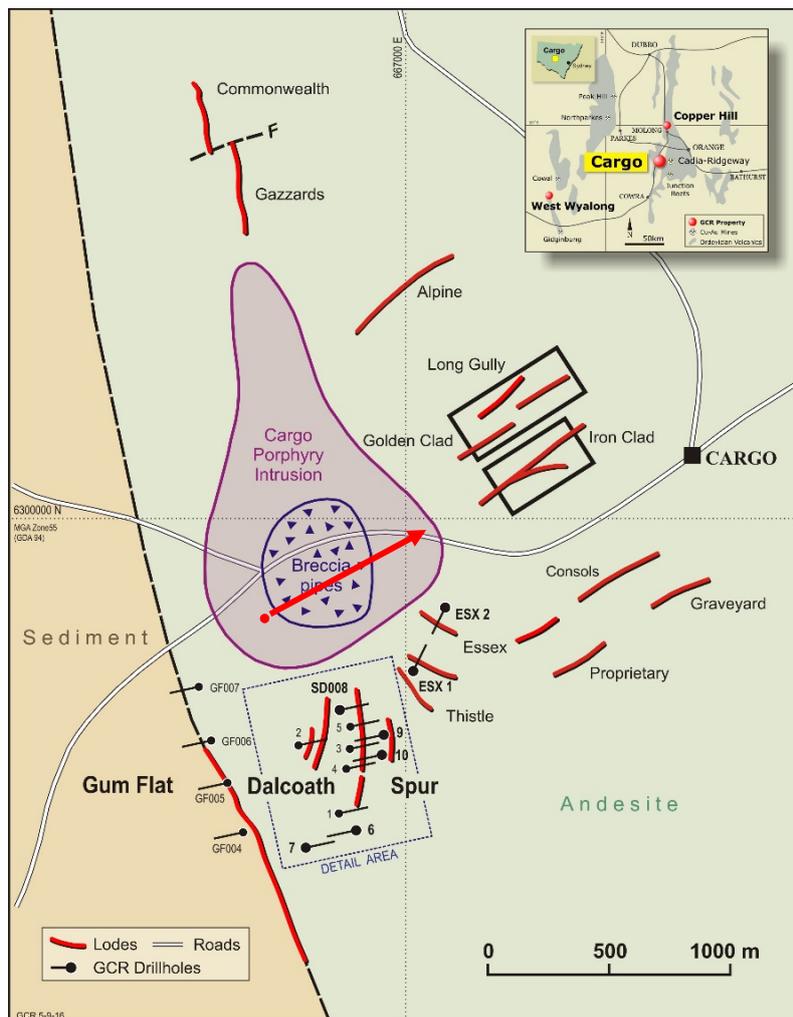


**OFFER of GOVERNMENT GRANT for DRILLING at CARGO**

The NSW Department of Industry, Division of Resources and Energy has announced fifteen Preferred Applications for Round Two of the state's New Frontiers Co-operative Drilling Program. This is a \$2 million co-funded NSW Government initiative to provide financial support for direct drilling costs, capped at \$200,000 for individual projects.

Golden Cross Resources Limited (the "Company") has received advice that it is a Preferred Applicant for proposed drilling at the Cargo Project with a grant of \$100,000 towards drilling costs of the Cargo Deeps Proposal.

Cargo is situated 12 kilometres west of the Cadia Valley gold-copper mining operations of Newcrest Ltd (**Figure 1**), in a similar geological setting. Ordovician age andesite volcanics and volcanoclastic rocks are intruded by dacite porphyry, magmatic-hydrothermal breccia, micromonzonite and radial veins mined historically for gold (and the probable source of widespread eluvial gold in the Cargo area).

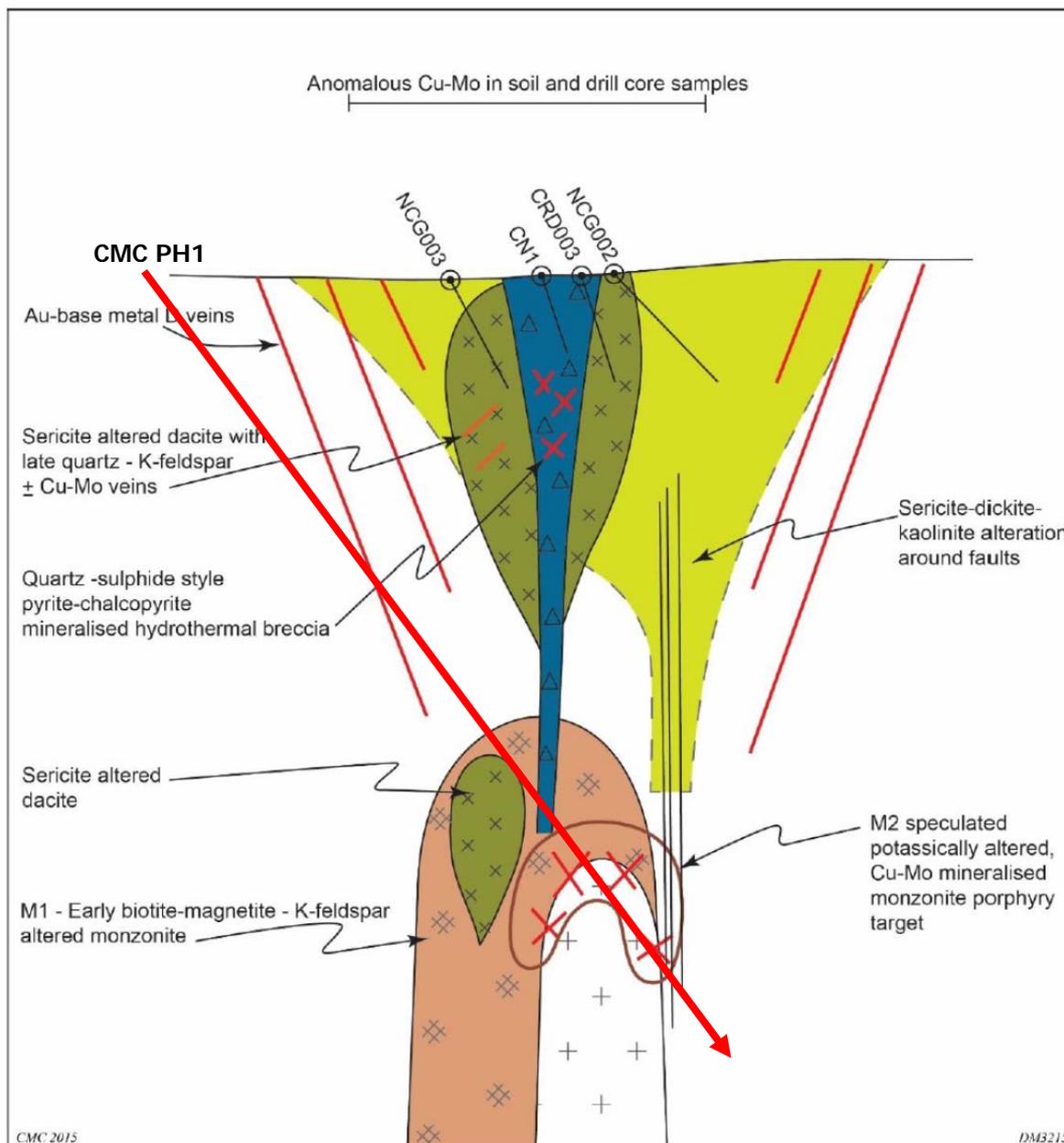


**Figure 1: Cargo Location and Drilling**  
[showing radial vein lodes and location of proposed Cargo Deeps hole in red; excluded titles in black]

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Gold resources have previously been reported for the Cargo Spur-Dalcoath lode system to JORC 2004 compliance (refer ASX announcement dated 21 May 2012), and the Company believes there is potential for further near-surface gold resources on the remaining 14 known quartz-sulphide lode systems.

Drilling of the central porphyry in 2008 returned long low-grade copper intercepts to a depth of approximately 300 metres, and in 2016 a conceptual deep target was developed by consultants Corbett Menzies Cunliffe Pty Ltd based on detailed mineralogical logging of drillcore and modelling which indicated vectors to a deeper mineralised intrusive. (**Figure 2**).



**Figure 2: CMC Conceptual Model for Cargo**

The Cargo Exploration Licence has been renewed to 2019, facilitating planning and evaluation on two fronts:-

- Drilling and estimation of shallow gold mineralisation in near surface lode systems, evidenced by reported resources and historical shallow mining activity
- Drilling of the deeper related porphyry copper-gold-molybdenum mineralisation conceptual target, to be partially funded by the Co-operative Drilling Grant, with completion required by 30 June 2017.

For further information please contact Chairman, Mr Ken Hellsten on 02 9922 1266

## **Golden Cross Resources Limited**

### **Compliance Statement (JORC 2012)**

*The technical information in this announcement relating to exploration results at Cargo Project is based on information compiled by Mr Bret Ferris. Mr Ferris is a consultant to Golden Cross Resources Limited and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results". Mr Ferris has reviewed this announcement and consents to the inclusion in this announcement of the information in the form and context in which it appears.*

**Forward-Looking Statements:** *This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Golden Cross Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.*