

GOLDEN CROSS RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 29, 2012

Background

The discussion and analysis of the financial condition and operating results of Golden Cross Resources Inc. (the Company) is for the quarter ended December 31, 2011. This discussion should be read in conjunction with the interim condensed unaudited financial statements of the Company and the notes thereto for the quarter ended December 31, 2011 and the audited annual financial statements and related notes thereto for the year ended September 30, 2011. The interim unaudited financial statements are prepared in accordance to the International Financial Reporting Standards ("IFRS") unless otherwise stated, and include the operating results of the Company and its subsidiaries. Unless expressly stated otherwise, all financial information is presented in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Operations

The Company was incorporated in British Columbia under the Business Corporations Act on June 20, 2006. The Company is primarily engaged in the acquisition, exploration, development and production of mineral properties.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether the mineral properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

Holy Cross Property

On September 26, 2006, the Company entered into a property purchase agreement with Aegean Marine Consultants Ltd. ("Aegean") pursuant to which the Company acquired a 100% interest in the Holy Cross mineral resource property located in the Omineca Mining Division of British Columbia, Canada, in consideration of a cash payment of \$25,000 and issuance of 5,000,000 common shares of the Company with a value of \$12,500. Aegean is controlled by a former Officer and Director of the Company.

The Holy Cross property is located in the Omineca Mining Division of north-central British Columbia, approximately 145 kilometres west of Prince George, BC and 33 kilometres south of the village of Fraser Lake between Bentzi Lake and Holy Cross Mountain. The property initially consisted of a single modified-grid mineral claim totaling 25 cells, or 477.545 hectares, located on National Topographic System map-sheet 093F15W centered at 53 degrees 47.5 minutes North Latitude and 124 degrees 58 minutes West Longitude. Additional claim cells were subsequently located to cover favourable ground and all cells were amalgamated into the current land base covering 2,005.5 hectares. The Company commissioned and received an independent technical report on the Property, in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). The "Summary Report on the Holy Cross Property" dated May 22, 2007 and as Amended on September 5, 2007; October 10, 2007; April 23, 2008; October 24, 2010 and November 15, 2011 (the "Report") was prepared by J.W. (Bill) Morton, P.Geol. The Report and Amendments have been filed on the SEDAR website at www.sedar.com.

The Company completed an exploration program during the summer of 2009 that consisted of linecutting followed by an induced polarization and magnetometer survey. The work with the mobilization of the linecutting crew to Fraser Lake was used as a base of operations. A total of 7.5 kilometres of line was cut to extend the existing grid an additional 250 m to the west (a total of 3 kilometres), along with 2 complete lines (4.5 kilometres in total) at the south end of the area surveyed in 2007.

In the quarter, the Company expended \$3,556 (2010 - \$2,154) in geological consulting on the Holy Cross project.

Summary of Quarterly Results

The following table sets forth selected (unaudited) quarterly financial information for each of the last eight most recently completed quarters. For the quarter ended December 31, 2011, the quarterly results have been restated to reflect accounting policies consistent with IFRS. Quarterly results for quarters ended before October 1, 2010 have been prepared in accordance with Canadian General Accepted Accounting Principles.

	<u>IFRS</u>	<u>IFRS</u>	<u>IFRS</u>	<u>IFRS</u>
	<u>December 31,</u>	<u>Sept. 30,</u>	<u>June 30,</u>	<u>March 31,</u>
	<u>2011</u>	<u>2011</u>	<u>2011</u>	<u>2011</u>
	\$	\$	\$	\$
Total revenues	-	-	-	-
(Loss) before other items and taxes	(65,984)	(21,266)	(68,003)	(166,964)
Loss per-share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.01)
Net loss for the period	(64,727)	(21,266)	(68,003)	(166,964)
Loss per-share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.01)
	<u>IFRS</u>	<u>CDN GAAP</u>	<u>CDN GAAP</u>	<u>CDN GAAP</u>
	<u>December 31,</u>	<u>Sept. 30,</u>	<u>June 30,</u>	<u>March 31,</u>
	<u>2010</u>	<u>2010</u>	<u>2010</u>	<u>2010</u>
	\$	\$	\$	\$
Total revenues	-	-	-	-
(Loss) Income before other items and taxes	(30,894)	(46,544)	(8,941)	(22,214)
(Loss) Earnings per-share (basic and diluted)	(0.01)	(0.01)	(0.00)	(0.01)
Net (loss) income for the period	(30,894)	(46,544)	(8,941)	(22,214)
(Loss) Earnings per-share (basic and diluted)	(0.01)	(0.01)	(0.00)	(0.01)

OPERATING RESULTS, FINANCIAL CONDITION AND LIQUIDITY

Three Months Ended December 31, 2011

Financial Conditions

At December 31, 2011, the Company had Current Assets of \$542,026 (2010 - \$163,114). Current Liabilities were \$11,809 (2010 - \$7,375). The Company's working capital as of December 31, 2011 was \$530,217 (2010 - \$155,739).

During the three month period ended December 31, 2011, The Company issued 100,000 common shares for warrants exercised in the amount of \$5,000 (December 31, 2010, the Company issued 100,000 common shares for stock options exercised in the amount of \$5,000).

The Company's net loss for the quarter was \$64,726 (2010 - \$30,894) an increase of \$33,832 compared to previous year's quarter.

Consulting costs for the quarter ended December 31, 2011 was \$20,962 (2010 - \$5,000) an increase of \$15,962 compared to the same quarter in the previous year and the increase was mainly due to increased activities in the Company's administration and reviewing various mining projects.

Office, rent and miscellaneous expenses for the quarter was \$15,821 (2010 - \$9,857) an increase of \$5,964 compared to the same quarter in the previous year and the increase was mainly due to increased activities in the Company's administration and in reviewing various mineral projects.

Professional fees were \$14,626 for the quarter (2010 - \$10,063) an increase of \$4,563 compared to the same quarter in the previous year. The increase was due to increased use of legal services.

Transfer agent and filing fees were \$11,018 for the quarter (2010 - \$3,820) an increase of \$7,198 compared to the same quarter in the previous year. The increase was due to increased filing fees to the various regulatory bodies.

Capital Resource and Liability

At December 31, 2011 cash was \$530,986, compared to \$591,782 in September 30, 2011. As of the date of this MD&A, the Company has no outstanding commitments. The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. The Company has sufficient working capital at this time to meet its ongoing financial obligations.

Related Party Transactions

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. The following transactions occurred in the periods presented:

- a) During the three month period ended December 31, 2011, the Company incurred \$11,812 (2010 - \$900) for consulting services provided by a director of the Company.
- b) During the three month period ended December 31, 2011, the Company incurred \$4,200 (2010 - \$1,725) for accounting fees and \$nil (2010 - \$2,500) for rent with a company that is controlled by an officer of the Company.

Outstanding Share Data

As at December 31, 2011, the following securities were outstanding:

Common shares – 16,791,502
Stock options – 1,400,000
Warrants – 5,699,000

As of the date of this report, the following securities were outstanding:

Common shares – 27,391,502

Stock options – 800,000

Warrants – 11,099,000

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Subsequent Events

On January 3, 2012, 470,000 warrants were exercised for proceeds of \$23,500.

On January 4, 2012, 1,170,000 warrants were exercised for proceeds of \$58,500.

On February 18, 2012, 600,000 options were cancelled.

On February 22, 2012 Evan Clifford was appointed as a director of the Company.

On February 27, 2012, 1,060,000 warrants were exercised for proceeds of \$53,000.

On February 29, 2012 the Company completed a private placement 8,000,000 units at \$0.075 per unit, raising a total of \$600,000. Each unit consists of one common share and one transferable share purchase warrant, entitling the holder thereof to acquire one additional common share at a price of \$0.10 per share for a period of five years from closing of the offering. The proceeds will be used for the Company's working capital requirements.

Critical Accounting Policies and Estimates

Please refer to Note 2 of the condensed interim unaudited financial statements for the three month period ended December 31, 2011.

International Financial Reporting Standards

The Company's interim and annual financial statements will be prepared in accordance with IFRS for the fiscal year ending September 30, 2012. The Company is required to restate, for comparative purposes, amounts previously reported under existing Canadian GAAP for its 2011 fiscal year.

For a discussion of the Company's transition to IFRS, refer to Note 12 of the financial statements for the period ended December 31, 2011.

No significant impacts have been identified to date in relation to the Company's information technology and data systems, day-to-day accounting processes or internal controls over financial reporting and disclosure controls.

The information provided in this MD&A and in the interim condensed financial statements with respect to the transition to IFRS reflects current views, assumptions and expectations of management of the Company. Circumstances may arise such as changes in IFRS standards or interpretation of existing IFRS standards before the financial statements as at September 30, 2012 are prepared. Consequently, final accounting policy decisions for all standards and exemptions in effect at the date of transition will be made during the preparation of the financial statements as at September 30, 2012.

Financial Instruments

For a detailed description of financial instruments and their associated risks, see Note 10 to the Company's condensed interim financial statements for the three month period ended December 31, 2011.

Business Risk and Uncertainties

The Company, like all companies in the mining sector, is exposed to a variety of risks which include title to mining interests, the uncertainty of finding and acquiring reserves, funding and developing those reserves and finding storage and markets for them. In addition there are commodity price fluctuations, interest and exchange rate changes and changes in government regulations. The mining industry is intensely competitive and the Company must compete against companies that have larger technical and financial resources. The Company works to mitigate these risks by evaluating opportunities for acceptable funding, considering farm-out opportunities that are available to the Company, operating in politically stable countries, aligning itself with joint venture partners with significant international experience and by employing highly skilled personnel. The mining industry is subject to extensive and varying environmental regulations imposed by governments relating to the protection of the environment and the Company is committed to operate safely and in an environmentally sensitive manner in all operations. Please also refer to Forward Looking Statements.

Management's Responsibility for Financial Information

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with IFRS principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

Additional Information

Additional information relating to the Company is available on www.sedar.com.