GENERAL

The following management's discussion and analysis ("MD&A") of the financial condition and operating results of Golden Cross Resources Inc. (the Company) is for the year ended September 30, 2012. This discussion should be read in conjunction with the audited annual financial statements and related notes thereto for the years ended September 30, 2012 and 2011. Unless expressly stated otherwise, all financial information is presented in Canadian dollars. This MD&A dated January 22, 2013 was approved by the board of directors.

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 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 and development 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 exploration and evaluation assets 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.

ACQUISITION

On May 29, 2012, the Company entered into a letter of intent with Blue Gold Tailing Technologies Ltd., Blue Gold Holdings Ltd. and BG Holdings Ltd. ("Blue Gold Group") to acquire all of Blue Gold Group's contracts, purchase orders, intellectual property and technology related to its mining tailings and waste water remediation business (the "Assets") which values are currently being evaluated. As consideration, the Company has agreed to issue shares for the purchase of the Assets using a deemed share price of $0.28 per share following the consolidation of its shares in the basis of one new share for every two currently issued common shares of the Company. The acquisition and consolidation of its shares will be subject to shareholders' approval and the CNSX. The Company has been halted for trading since November 22, 2012 pending on further announcement on this acquisition.

In connection with the letter of intent entered into with Blue Gold Group, the Company advanced $1,602,275 as at September 30, 2012 to Blue Gold Group pursuant to several agreements dated between June 25, 2012 and September 20, 2012 repayable without interest within one year from the date of issuance. If Blue Gold Group fails to repay the Company within the one year term, interest will start to accrue on the amount owing at a rate of 21% per annum compounded annually. During the year ended September 30, 2012, a discount of $217,269 has been recorded resulting that the outstanding balance of notes receivable was $1,385,006.

Up to $1,600,000 of the notes receivable outstanding as at September 30, 2012 are secured by a general security agreement with a floating charge and security interest on all Blue Gold Group's assets, rights, interests and properties.

The notes receivable were issued to the Blue Gold Group in connection with a letter of intent whereby the Company and the Blue Gold Group are to effect a business combination, the ultimate form of which was yet to be determined.

Subsequent to the September 30, 2012 year end, on November 21, 2012 the Company and Blue Gold Tailing Technologies Ltd. signed an amalgamation agreement thereto (see Subsequent Events).

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.

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.Geo. 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.

During the year ended September 30, 2012, the Company expended $3,556 (2011 - $2,755) in geological consulting on the Holy Cross project.

		2012		2011
Geological consulting	$	3,556	$	1,817
IP and Magnetometer survey		-		187
Other		-		751
	$	3,556	$	2,755

Operating Results

Summary of Quarterly Results

The following table sets forth selected quarterly financial information for each of the last eight most recently completed quarters.

Quarter Ended	Accounting Principle Used	Total Revenue	Net Income (Loss) for the Period	Net (Loss) per Share - Basic and Diluted
30-Sep-12	IFRS	$ -	$ (402,881)	$ (0.01)
30-Jun-12	IFRS	-	(109,082)	(0.01)
31-Mar-12	IFRS	-	(86,063)	(0.01)
31-Dec-11	IFRS	-	(64,726)	-
30-Sep-11	IFRS	-	(20,856)	-
30-Jun-11	IFRS	-	(67,803)	-
31-Mar-11	IFRS	-	(166,764)	(0.01)
31-Dec-10	IFRS	-	(30,694)	(0.01)

As the Company is still in exploration stage, the Company has incurred loss since inception. The loss in the March 2011 quarter was significantly higher than the previous quarter due to stock-based payments as a result of stock option granted during this quarter. Starting from the June 2012 quarter, the loss again increased significantly due to stock-based payments and the proposed acquisition of Blue Gold Group. The Company expects the loss will continue until the Company is successful in acquiring Blue Gold Group and operates the new business with profit.

Selected Annual Financial Information

	2012	2011	2010
Total Assets	$ 2,774,604	$ 635,158	$ 226,174
Shareholders' Equity	2,755,900	627,443	218,933
Total Long-Term Liabilities	-	-	-
Total Revenue	-	-	-
Net (Loss)	(662,752)	286,117	(119,594)
Basic and Diluted (Loss) per share	(0.03)	(0.02)	(0.01)

For the Three Months Ended September 30, 2012

The Company's net loss for the quarter was $402,881 compared to the loss of $20,856.

for the same quarter of the last year. The increase in loss of $382,025 was primarily due to the following:

(a) Accounting and administration for the quarter were $19,600 (2011 - $8,100), an increase of $11,500 compared to the same quarter of last year. The increase was mainly due to the acquisition activities during the quarter;

(b) Consulting fees for the quarter were $13,680 (2011 - $nil), an increase of $13,680 was due to services provided by a new business adviser;

(c) Office and miscellaneous expenses for the quarter were $24,939 (2011 - $8,297), an increase of $16,642 was due to increase in operating activities in the current quarter;

(d) Professional fees were $26,162 for the quarter (2011 – credit of $1,050), an increase of $27,212 compared to the same quarter of the last year. The increase was due to increase in financing and due diligence activities during the quarter;

(e) Share-based payments for the quarter were $60,309 (2011 - $nil), an increase of $60,309 was due to no stock options granted in same quarter of last year;

(f) Shareholder communication and promotion fees for the quarter were $26,348 (2011 - $200), an increase of $26,148 compared to the same quarter of the last year. The increase was relating to increased activities for the acquisition of Blue Gold Group; and

(g) Amortization of discount on notes receivable for the quarter were $217,269 (2011 - $nil), an increase of $217,269 due to the note issued to Blue Gold Group.

For the year ended September 30, 2012

The Company's net loss for the year was $662,752 compared to the loss of $286,117 of last year. The increase in loss of $376,635 was primarily due to the following:

(a) Accounting and administration for the year were $64,270 (2011 - $25,425), an increase of $38,845 compared to last year. The increase was mainly due to increased administration expenses in 2012;

(b) Consulting fees for the year were $101,466 (2011 - $32,759), an increase of $68,707 was due to consultant advice required for business acquisition activities in 2012;

(c) Office and miscellaneous expenses for the year were $60,250 (2011 - $36,227), an increase of $24,023 was due to increase in operating activities in 2012;

(d) Professional fees for the year were $53,289 (2011 – 32,788), an increase of $20,501 compared to last year. The increase was due to increase in financing and due diligence activities in 2012;

(e) Share-based payments for the year were $60,309 (2011 - $127,427), a decrease of $67,118 was due to lesser fair value on stock options granted in 2012;

(f) Shareholder communication and promotion expenses for the year were $72,523 (2011 - $10,872), an increase of $61,651 compared to last year. The increase was relating to increased activities for the acquisition of Blue Gold Group; and

(g) Amortization of discount on notes receivable for the year were $217,269 (2011 - $nil) an increase of $217,269 due to the note issued to Blue Gold Group.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

During the year ended September 30, 2012:

In February 2012, the Company completed a private placement of 8,000,000 units at $0.075 per unit for total proceeds of $600,000 in February 2012. Each unit consists of one common share and one transferable common 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. 140,000 of these units were issued to a person related to the Company's chief financial officer.

From June 2012 to August 2012, the Company completed a private placement of 10,412,774 units at $0.14 per unit for total proceeds of $1,457,788 in three tranches. Each unit consists of one common share and one-half of one transferable common share purchase warrant, with each whole warrant entitling the holder thereof to acquire one additional common share at a price of $0.18 per share for a period of two years. The units were bi-furcated; the shares component was valued at a fair value of $1,350,645, and the residual value of $107,143 was allocated to the warrants component. 300,000 of these units were issued to directors or companies controlled by directors.

The Company paid finders' fees of $45,808 and issued 315,000 finders' warrants having the same terms as the private placement warrants. The agent warrants were valued at a total of $36,701 using the Black-Scholes option pricing model with risk free interest rates of 0.99% to 1.20% per annum, expected stock price volatility of 143% to 151%, expected dividend yield of 0% and expected life of 2 years.

During the year ended September 30, 2012, 3,100,000 warrants were exercised for proceeds of $155,000.

At September 30, 2012, the Company's working capital was $2,718,400 (2011 - $589,943). As of the date of this MD&A, the Company has no outstanding commitments other than its commitment to complete its amalgamation with Blue Gold Tailings Technology Ltd., and 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

During the year ended September 30, 2012, the Company had the following related party transactions:

(a) The following amounts due to related parties are included in accounts payable and accrued liabilities:

		2012		2011
Company controlled by an officer of the Company	$	2,800	$	1,680
Director of the Company		3,647		349
	$	6,447	$	2,029

The amounts due from related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

(b) Gross compensation of management personnel during the year ended September 30, 2012:

		2012		2011
Consulting fees to directors of the Company	$	30,322	$	900
Accounting fees to a company controlled by an officer of the Company		21,700		19,570
Office administration fees to a relative of an officer		-		8,000
Rent to a director of the Company		5,000		10,250
Share based compensation		-		45,509
Balance, end of year	$	57,022	$	84,229

Key management personnel were not paid post-retirement benefits, termination benefits or other long-term benefits during the years ended September 30, 2012 and 2011.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates were used in the preparation of the financial statements. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. Please refer to note 2 to the financial statements.

CHANGE OF ACCOUNTING POLICIES

Adoption of International Financial Reporting Standards

As of October 1, 2011, the Company adopted IFRS. The financial statements for the year ended September 30, 2012 are the Company's first IFRS annual financial statements presented in accordance with IFRS. The Company has restated its comparative financial statements and other financial information following its IFRS accounting policies. A reconciliation of the previously disclosed comparative periods' financial statements in accordance with Canadian generally accepted accounting principles to IFRS is set out in Note 13 to these financial statements.

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.

FINANCIAL RISH MANAGEMENT

For a detailed description of financial instruments and their associated risks, see Note 12 to the Company's financial statements for the year ended September 30, 2012.

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.

INVESTOR RELATIONS

The Company is currently managing investor relations internally.

SUBSEQUENT EVENTS

(a) In October to November 2012, the Company completed a private placement, in tranches, of 9,250,253 units at $0.14 per unit for total proceeds of $1,295,035. Each unit consists of one common share and one-half of one transferable common share purchase warrant, with each whole warrant entitling the holder thereof to acquire one additional common share at a price of $0.18 per share for a period of two years. The Company paid finders' fees of $41,687 and issued 169,050 finders' warrants.

(b) Pursuant to two promissory note agreements, the Company advanced $1,400,000 to the Blue Gold Group, $800,000 each on October 22, 2012 and November 30, 2012 respectively (See Note 6 of the audited financial statements for the year ended September 30, 2012). The notes become due one year after issuance and are non-interest bearing for up to one year and thereafter bear interest at 21% annually compounded. These notes are secured by an $600,000 general security agreement with a floating charge and security interest on all Blue Gold Group's assets, rights, interests and properties

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(c) Pursuant to an amalgamation agreement, dated November 21, 2012, the Company, through its newly incorporated 100% owned subsidiary Golden Cross Acquisitions Inc., and Blue Gold Tailing Technologies Ltd. ("Blue Gold") agreed to amalgamate in accordance with the following material terms:

- The amalgamation is subject to shareholder approval of the respective companies and regulatory approval;
- Each of the 101,726,888 issued and outstanding common shares of Blue Gold immediately before the effective date shall be exchanged for 0.373549223 of Golden Cross shares and the Blue Gold shares exchanged in accordance with these provisions will be cancelled. The Golden Cross shares held by the Principals at the effective date shall be subject to escrow provisions and released at a rate of 10% at the date of first trading on a Canadian stock exchange after the amalgamation and 15% every 6 months thereafter;
- Up to further 9,000,000 Golden Cross shares will be issuable to individuals designated by Blue Gold directors. These shares are earn-out shares to be released to the holders based on cumulative cash flow of the amalgamated company;
- The amalgamated company will appoint new directors;
- Golden Cross may complete a private placement of up to 14,285,714 units at a price of no less than $0.14, each unit consisting of one common share and ½ share purchase warrant entitling the holder to purchase for each warrant one common share for two years at $0.18;
- The amalgamation is subject to finders fees of up to 3,000,000 common shares of Golden Cross on a post-consolidation basis.
- Golden Cross will complete a 1 for 2 common shares consolidation before the effective date of the amalgamation. All the above noted share information for Golden Cross is on a pre-consolidation basis.
- On January 16, 2013, the Company entered into an agreement to extend the closing of the amalgamation from February 28, 2013 to April 30, 2013.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the following securities were outstanding:

Common shares – 47,454,529
Stock options – 1,300,000
Warrants – 21,014,564