GOLDEN CROSS RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

Suite 804 – 750 West Pender Street, Vancouver BC V6C 2T7
Tel: 604.682.2928 Fax: 604.685.6905
Contact Person: Tom Kennedy

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of the financial position and results of operations of Golden Cross Resources Inc. (the "Company"), dated January 28, 2011, should be read in conjunction with the audited annual financial statements of the Company and notes attached thereto for the year ended September 30, 2010. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

This Management's Discussion and Analysis contains "forward-looking statements" (see "Forward Looking Statements") that are subject to various risks and uncertainties concerning the specific factors disclosed under the heading "Risk Factors". Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The Company does not assume the obligation to update any forward-looking statement other than as required pursuant to applicable securities law.

OVERVIEW

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's head office and principal business address is Suite 804, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7. The Company's shares are traded on the Canadian National Stock Exchange ("CNSX") under the symbol "GOX".

During the year ended September 30, 2010, the Company incurred a net loss of $102,984. In August 2010, the Company completed a non-brokered private placement of 3,000,000 units at the price of $0.05 per unit for gross proceeds of $150,000. Each unit is comprised of one common share and one share purchase warrant; each share purchase warrant entitles the holder to acquire one additional common share at a price of $0.05 until August 27, 2012. The Company's priority in fiscal 2011 will be advance its existing project, continue to evaluate new opportunities for the Company, and secure new financings for future exploration programs and operating costs.

MINERAL PROPERTIES

As of September 30, 2010, the Company held a 100% interest in the in the Holy Cross mineral resource property located in the Omineca Mining Division of British Columbia, Canada. The property was acquired through a property purchase agreement entered on September 26, 2006. The total acquisition cost for the property is $37,500.

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 revised September 5, 2007, October 10, 2007 and April 23, 2008, (the "Report") was prepared by J.W. (Bill) Morton, P.Geo. The Report has 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 lincutting 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. To date, a total of $181,592 was spent on the project.

SELECTED ANNUAL INFORMATION

The following table sets out selected financial information for the Company which has been derived from the Company's audited financial statements for the fiscal years ended September 30, 2010, 2009 and 2008. These financial statements were prepared in accordance with accounting principles generally accepted in Canada and are in Canadian dollars.

Year ended September 30,	**Fiscal 2010** ($)	**Fiscal 2009** ($)	**Fiscal 2008** ($)
Income Statement Data			
Revenues	-	-	-
Income (loss) before discontinued operations and extraordinary items	(102,984)	(115,810)	(162,336)
Net income (loss) for the year	(102,984)	(115,810)	(162,336)
Income (loss) per common share outstanding - basic and diluted:			
Income (loss) before discontinued operations and extraordinary items	(0.01)	(0.02)	(0.02)
Net income (loss) for the year	(0.01)	(0.02)	(0.02)
Balance Sheet Data			
Total assets	228,574	123,316	111,693
Total long-term liabilities	-	-	-
Dividends	-	-	-

<u>Factors That Affect the Comparability of the Annual Financial Data Disclosed Above</u>

During fiscal 2010, 2009 and 2008 the Company incurred net loss of $102,984, $115,810, and $162,336, respectively. The variance was mainly attributable to decrease in mineral property exploration activities (2010 - $3,221, 2009 - $35,322, 2008 - $60,701). The net loss in 2010 also included future income tax recovery of $14,210 (2009 - $nil, 2008 - $nil).

RESULT OF OPERATIONS

During the year ended September 30, 2010, the Company incurred a net loss of $102,984 compared to a net loss of $115,810 incurred during fiscal 2009. The net loss in the current period is inclusive of general operating expenses of $117,194 (2009 - $115,810) and future income tax recovery of $14,210 (2009 - $nil).

The general operating expenses include the following expense items:

- Mineral exploration costs of $3,221 (2009 - $35,322) relate to costs of exploration work on the Holy Cross property and is lower than the comparative period due to decreased activities this year.
- Office, rent and miscellaneous of $29,218 (2009 - $36,541) relate to the costs paid for accounting, administration, rent, and general office maintenance. The decrease is due to decreased corporate activities in the current year.
- Professional fees of $39,754 (2009 - $24,657) include audit and legal fees and are higher in the current year due to increased legal services on general corporate matters.
- Transfer agent and filing fees of $14,524 (2009 - $14,719) includes the costs of transfer agent and regulatory

filings and are comparable to the prior year expenses.

- Stock-based compensation expenses of $30,477 (2009 - $nil), a non-cash charge, are the estimated fair value of the vesting portion of stock options granted in fiscal 2010. The Company used the Black-Scholes option pricing model for the fair value calculation.

Future income tax recovery of $14,210 (2009 - $nil) was a result of adjustments to tax pool balances due to renunciation of exploration expenditures to flow-through share investors.

SUMMARY OF QUARTERLY RESULTS

Results for the eight most recent quarters ending with the last quarter for the three months ending on September 30, 2010 are:

	For the Three Months Ending							
	Fiscal 2010				Fiscal 2009			
	Sept 30, 2010	Jun 30, 2010	Mar. 31, 2010	Dec. 31, 2009	Sept. 30, 2009	Jun. 30, 2009	Mar. 31, 2009	Dec. 31, 2008
	($)	($)	($)	($)	($)	($)	($)	($)
Income Statement Data								
Total revenues	-	-	-	-	-	-	-	-
Income (loss) before discontinued operations and extraordinary items	(46,544)	(8,941)	(22,214)	(25,285)	(52,957)	(7,367)	(29,499)	(25,987)
Net income (loss)	(46,544)	(8,941)	(22,214)	(25,285)	(52,957)	(7,367)	(29,499)	(25,987)
Income (loss) per common share outstanding – basic and diluted								
Income (loss) before discontinued operations and extraordinary items	(0.01)	(0.00)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)
Net income (loss) per share	(0.01)	(0.00)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)

The financial data presented above is derived from the Company's financial statements, which are prepared in accordance with accounting principles generally accepted in Canada and in Canadian dollars.

FOURTH QUARTER

In the fourth quarter ended September 30, 2010, the Company incurred a net loss of $46,544 (2009 - $52,957). The current period's loss was caused by general administrative expenses of $60,754 (2009 - $52,957), mitigated by future income tax recovery of $14,210 (2009 - $nil). Factors affecting the general administrative expenses for the current quarter are similar to those explained under the "Results of Operations" Section.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2010, the Company had a cash of $185,257 compared to $79,532 as at September 30, 2009. The Company had working capital as at September 30, 2010 of $181,433 compared to working capital of $80,550 as at September 30, 2009. The Company's working capital decreased during the current year primarily as a result of expenditures on operations and mineral properties.

Cash used in operating activities during the year ended September 30, 2010 was $81,875 (2009 - $106,540). Cash provided by financing activities during fiscal 2010 was $190,000 (2009 - $126,900). Cash used in investing activities during the years ended September 30, 2010 was $2,400 (2009 - $nil).

At present, management believes that the current working capital is sufficient to pay for its operating costs and accomplish planned exploration for its resource property for the fiscal 2011. The Company anticipates completing a financing sometime in fiscal 2011 in order to evaluate new opportunities for the Company and secure future exploration programs on its existing property.

Going Concern

At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration work on its mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. The annual financial statements do not include any adjustments to the recoverability and classification of reduced asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material. The Company is not subject to material externally-imposed capital constraints.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Included in accounts payable were $1,260 (2009 - $315) due to an officer of the Company and $123 ($2009 - $nil) due to a director of the Company. Amounts due to related parties were for services rendered to the Company and are unsecured, non-interest bearing, and have no specific terms of repayment.

The Company entered into the following transactions with related parties during the year ended September 30, 2010 as follows:

a) Paid or accrued geological consulting fees of $2,002 (2009 - $11,555) to a director of the Company.

b) Paid or accrued professional fees of $5,625 (2009 - $nil) to a director of the Company.

c) Paid or accrued professional fees of $11,630 (2009 - $300) to a company controlled by an officer of the Company.

d) Paid or accrued office rent of $9,500 (2009 - $nil) and administrative fees of $1,500 (2009 - $2,000) to a director of the Company.

These transactions with related parties were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Significant areas requiring the use of management estimates relate to determination of stock-based compensation, impairment of assets, asset retirement obligations, and future income taxes. Actual results could differ from these estimates.

CHANGES IN ACCOUNTING POLICIES

New accounting policies adopted

Financial instruments - disclosures

In June 2009, the CICA amended Section 3862, Financial Instruments – Disclosures, that includes additional disclosure requirements about fair value measurements for financial instruments and liquidity risk disclosures effective for fiscal years ending after September 30, 2009. Enhanced fair value measurements entail a three-level hierarchy that takes into account the significance of the inputs used in making the fair value measurements. The amendment clarifies that liquidity risk relates to financial liabilities that are settled by delivering cash or another financial asset. Enhanced liquidity risk disclosures include a maturity analysis for derivative financial liabilities based on how an entity manages liquidity risk. The Company has included the disclosure recommended by the new handbook sections in Note 9 to these financial statements.

Website development costs

Website development costs are recorded at cost and amortized over their estimated useful lives at a rate of 33% straight line per annum.

Future accounting changes

Convergence to international Financial Reporting Standards ("IFRS")

In February 2008, the CICA announced that Canadian GAAP for publicly accountable enterprises will be replaced by International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal year. The transition date of October 1, 2011 will require the restatement for comparative purposes, amounts reported by the Company for the year ended September 30, 2011, for which the current and comparative information will be prepared under IFRS. The detail of the Company's IFRS project is summarized under **Changeover Plan to International Financial Reporting Standards.**

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582, Business Combinations, Section 1601, Consolidated Financial Statements, and Section 1602, Non-controlling Interests, which replace CICA Handbook Sections 1581, Business Combinations, and Section 1600, Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning October 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently.

FINANCIAL INSTRUMENTS

The Company classified its cash as held for trading, which are measured at fair value. Receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk with respect to its cash is minimal as they are held with high-credit quality financial institutions. Other receivables mainly consist of harmonized sale tax due from the federal government of Canada. Management believes that the credit risk concentration with respect to other receivables is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. As at September 30, 2010, the Company had a working capital of $181,433. All of the Company's financial liabilities are classified as current and may mature within the next fiscal period. The Company is considered to be in the exploration stage. Thus it is dependent on obtaining regular financings in order to continue its exploration stage. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions. The interest rate risks on cash are not considered significant.

b) Foreign Exchange Risk

The Company does not have significant foreign exchange risk as all its activities are carried out in Canada and all its financial assets and liabilities are denominated in Canadian dollars.

Sensitivity analysis

The carrying values of cash, receivables, and accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of these financial instruments.

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by credit risk, liquidity risk or market risk.

Fair Value

CICA Handbook Section 3862 "Financial Instruments – disclosures" establishes a fair value hierarchy that prioritizes the inputs used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – inputs for the asset or liability that are not based on observable market data.

Financial instruments measured at fair value on the balance sheet are summarized in levels of fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 185,257	$ -	$ -	$ 185,257
Accounts payable and accrued liabilities	(7,241)	-	-	(7,241)
Total	$ 178,016	$ -	$ -	$ 178,016

OUTSTANDING SHARE DATA

The Company had the following common shares, stock options and warrants outstanding as at the date of this report:

Issued and Outstanding Common shares	13,236,502
Stock options	800,000
Warrants	3,100,000
	17,136,502

RISK FACTORS

Companies operating in the mining industry face many and varied kinds of risk. While risk management cannot eliminate the impact of potential risks, the Company strives to manage such risks to the extent possible and practical. The following are the risk factors most applicable to the company:

Industry

Exploring and developing mineral resource projects bears a high potential for all manner of risks. The Company's properties are in the exploration stage and are without a known body of commercial ore. Development of any of the Company's properties will only follow upon obtaining satisfactory exploration results, mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that Company's mineral exploration activities will result in the discovery of a body of commercial ore on any of its properties. Several years may pass between the discovery of a deposit and its exploitation. Most exploration projects do not result in the discovery of commercially mineable mineralized deposits.

Financing

The Company is in the exploration stage and as such has no significant source of revenue. Its continued operations are dependent upon the ability of the company to obtain additional equity or partner financing. Obtaining further financing may be dependent upon market conditions and results of exploration. There is no assurance that the Company's exploration efforts will be successful or that market conditions will be favourable. The Company will require additional funding to maintain its mineral properties in good standing. The lack of additional financing could result in delay or indefinite postponement of further exploration and possible, partial or total loss of the Company's interest in its mineral properties.

Title

There is no guarantee that title to properties in which Company has a material interest will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties. Before a number of claims under option can be recorded in Company's name, the underlying title holder has to assign title to the Company once the Company satisfies its option agreement obligations. There are no assurances that the underlying title holder will assign title.

Operating Hazards and Risks

Mineral exploration involves many risks. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, land slides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the conduct of exploration programs.

Environmental Factors

The Company currently conducts exploration activities in the Canadian Province of British Columbia. Such activities are subject to various laws, rules and regulations governing the protection of the environment. In Canada, extensive environmental legislation has been enacted by federal and provincial governments. Such legislation imposes rigorous standards on the mining industry to reduce or eliminate the effects of wastes generated by extraction and processing operations and subsequently deposited on the ground or emitted into the air or water. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The cost of compliance with changes in governmental regulations has the potential to preclude entirely the economic development of a property.

The Company is able to conduct its exploration within the provisions of the applicable environmental legislation without undue constraint on its ability to carry on efficient operations. The estimated annual cost of environmental compliance for all properties held by the Company in the exploration stage is minimal and pertains primarily to carrying out diamond drilling, trenching or stripping. Environmental hazards may exist on the Companies properties, which hazards are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties.

Governmental Regulation

Exploration activities on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. Changes in such regulation could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted.

The Company is at the exploration stage on all of its properties. Exploration on the Company's properties requires responsible best exploration practices to comply with company policy, government regulations, maintenance of claims and tenure. The Company is required to be registered to do business and have a valid prospecting license (required to prospect or explore for minerals on Crown Mineral Land or to stake a claim) in any Canadian province in which it is carrying out work.

Mineral exploration primarily falls under provincial jurisdiction. However, the Company is also required to follow the regulations pertaining to the mineral exploration industry that fall under federal jurisdiction, such as the Fish and Wildlife Act.

If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters.

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets", "may", "will" and similar expressions identify forward-looking statements. Information concerning the interpretation of drill results may also be considered a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Readers are cautioned not to place undue reliance on these statements as they are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, such forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

CHANGEOVER PLAN TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In February 2008, the AcSB confirmed that publicly accountable enterprises are required to adopt IFRS for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Following this timeline, the Company will issue its first set of financial statements prepared under IFRS for the interim periods ending December 31, 2011 and for the fiscal period ending September 30, 2012. The standard also requires that the comparative figures for 2011 be based on IFRS.

The Company's IFRS project consists of three phases – scoping and planning, evaluation and design, and implementation and review. The Company has completed the scoping and planning stage which included putting together an initial project plan, education, and identification of a number of differences between Canadian GAAP and IFRS that relate to the Company. The Company is now in the evaluation and design stage.

In phase one the Company had identified some areas where there is the most potential for a significant impact to the Company's financial statements. These areas do not represent a complete list of expected changes and may be subject to change as the Company progresses through the second phase. The areas which could have a material impact are as follows.

• *First-time Adoption of International Financial Reporting Standards* ("IFRS 1")
The adoption of IFRS requires the application of IFRS 1 which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment. The Company has not yet made any final decisions on policies or elections on IFRS 1 and therefore continued this process into the fiscal 2011.

• *Share-Based Payment* ("IFRS 2")
IFRS and Canadian GAAP largely converge on the accounting treatment for share based transaction with only a few differences. For stock options that vest in installments, IFRS 2 requires the Company to determine the fair value of each installment as a separate share option grant while Canadian GAAP treats the entire grant of stock options as a pool and recognize expense on a straight line basis. In addition, under IFRS the Company must make an estimate of stock options that are forfeited before they vest whereas under Canadian GAAP the Company records forfeitures as they occur. The change in this accounting policy is not expected to have a material impact on the Company's financial statements.

• *Exploration for and evaluation of mineral resources* ("IFRS 6")
Under the Company's current accounting policy, acquisition and exploration costs of mineral properties are capitalized as incurred. IFRS 6 permits mining companies to retain their existing policies with respect to the capitalization of exploration and evaluation costs until guidance that is more definitively developed in this area. Such guidance is not expected to be issued until after the Company's changeover to IFRS. The Company will retain its existing policies with respect to mining interests and exploration costs.

• *Income Taxes* ("IAS 12")
Fundamentals of accounting for income taxes are the same under IFRS as they are under Canadian GAAP. In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes. The International Accounting Standards Board ("IASB") is currently reviewing IAS based on various meetings and comments received and will consider whether to propose limited amendments. The Company does not expect any changes to its accounting policies related to income taxes that would have a material impact on its financial statements.

Upon completion of the second phase, the Company will move into the implementation phase, in which it will update its significant accounting policies, adjust its accounting systems, and design tools and processes for the preparation of IFRS information, including comparative and opening balance sheet information. In addition, the Company will evaluate its internal and disclosure control processes as a result of its conversion to IFRS. The Company will also design model IFRS financial statements including all note disclosures and disclosures required for the MD&A.

In the period leading up to the changeover in 2011, IASB will also continue to issue new accounting standards during the conversion period. As a result, the final impact of IFRS on the Company's financial statements can only be measured once all the IFRS accounting standards at the conversion date are known. Management will continue to review new standards, as well as the impact of the new accounting standards, between now and the conversion date to ensure all relevant changes are addressed.

EFFECTIVENESS OF DISCLOSURE CONTROLS

The Chief Financial Officer and Chief Executive Officer have evaluated the effectiveness of the Company's disclosure controls as of September 30, 2010. They have concluded that the Company's disclosure controls and procedures provide reasonable assurance that material information relating to the Company would be made known to them by others within the Company, particularly during the period during which this report was being made.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com**.**

APPROVAL

The Board of Directors of Golden Cross Resources Inc. has approved the contents of this management discussion and analysis. A copy of this MD&A will be provided to anyone who requests it.