

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme SOUTHERN CROSS GOLDFIELDS LIMITED

ACN/ARSN 124 374 321

1. Details of substantial holder (1)

Name CHENG HENG JEM ("TSWC"), LION DIVERSIFIED HOLDINGS BERHAD ("LDHB"), LION INDUSTRIES CORPORATION BERHAD ("LICB"), LION CORPORATION BERHAD ("LCB"), HORIZON TOWERS SDN BHD ("HT") AND LION DEVELOPMENT (PENANG) SDN BHD ("LDP")

ACN / ARSN (if applicable) N/A

The holder became a substantial holder on 23 / 06 / 2008

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
ORD FULLY PAID SHARES	4,164,649	4,164,649	6.42%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
LDHB	Legal and beneficial holder. Polaris Metals NL ("Polaris") was issued 22 million vendor shares and 15 million vendor options in Southern Cross Goldfields Limited ("Southern Cross") pursuant to a successful spin-off of its gold and nickel assets to Southern Cross. Polaris' shareholders approved a pro-rata in specie distribution of the 22 million Southern Cross shares to Polaris' shareholders ("In Specie Distribution"). Each Polaris shareholder is entitled to receive 1 Southern Cross share for every 5.846 Polaris shares held on the record date of 4 March 2008 ("Record Date"). LDHB has been issued a total of 4,164,649 shares in Southern Cross pursuant to the In Specie Distribution based on its shareholding in Polaris of 24,346,543 shares as at the Record Date.	4,164,649 shares
TSWC	By virtue of Section 608(3)(b) of the Corporations Act. TSWC holds 58.42% equity interest in LDHB by virtue of his direct and indirect (through companies set out in Annexure "A") shareholdings in LDHB.	4,164,649 shares
LICB, LCB, HT and LDP	By virtue of Section 608(3)(a) of the Corporations Act.	4,164,649 shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
LDHB, TSWC, LICB, LCB, HT and LDP	LDHB	LDHB	2,007,512 shares
LDHB, TSWC, LICB, LCB, HT and LDP	ANZ Nominees Ltd	LDHB	2,157,137 shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
LDHB	23 / 06 / 2008	-	Nil consideration. Interest acquired pursuant to the In Specie Distribution	4,164,649 shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
REFER ANNEXURE "A"	CONTROLLED ENTITIES

7. Addresses

The addresses of persons named in this form are as follows:

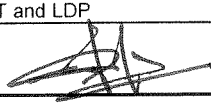
Name	Address
LDHB	LEVEL 46, MENARA CITIBANK, 165 JALAN AMPANG, 50450 KUALA LUMPUR, MALAYSIA
TSWC	PENTHOUSE, LEVEL 48, MENARA CITIBANK, 165 JALAN AMPANG, 50450 KUALA LUMPUR, MALAYSIA
LICB, LCB, HT and LDP	LEVEL 46, MENARA CITIBANK, 165 JALAN AMPANG, 50450 KUALA LUMPUR, MALAYSIA

Signature

Cheng Heng Jem
Substantial holder and authorised signatory
of LDHB, LCB, HT and LDP

Cheng Yong Kim
Authorised signatory
of LICB

sign here



date 24 / 06 / 2008

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
 - (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
 - (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations A.
 - (4) The voting shares of a company constitute one class unless divided into separate classes.
 - (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
 - (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
 - (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. If the relevant interest arises because of an option) write "unknown".
 - (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

ANNEXURE "A" – ASSOCIATES

Name	Company No.
Amsteel Mills Sdn Bhd	63077A
Deluxe Venture International Limited	1061456
Likom Computer System Sdn Bhd	150041D
Lion Corporation Berhad	12890A
Lion Development (Penang) Sdn Bhd	64617A
Lion Holdings Pte Ltd	197400436H
Lion Industries Corporation Berhad	415D
Narajaya Sdn Bhd	100905A
Ributasi Holdings Sdn Bhd	371562P
Silverstone Corporation Berhad	41515D
Sin Seng Investments Pte Ltd	195500063M

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