



## ASX RELEASE

23/07/2008

## GOLD RESOURCE UPGRADED TO 394,000 OUNCES

Southern Cross Goldfields Ltd (SXG) is pleased to announce an upgrade to its resource base which now totals 394,000 ounces of gold, of which 216,000 ounces is 100% owned by the company with an additional 178,000 ounces secured under a conditional purchase agreement (CP) which may be completed at any time by payment of \$450,000 and issue of 2.5M shares in SXG to International Goldfields Ltd:

Table 1 – Southern Cross Goldfields Ltd Gold Resources – Central Yilgarn Region, WA

Project Area	Deposit	Measured			Indicated			Inferred			Total		
		Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Jackson Trend	King Brown				176,000	3.0	17,000	25,000	2.2	2,000	201,000	2.9	19,000
	Golden Orb							1,023,000	2.2	71,000	1,023,000	2.2	71,000
Parker Range	British Hill				1,108,000	1.9	67,000	529,000	1.9	33,000	1,637,000	1.9	100,000
	Battler				308,000	2.2	21,000	93,000	1.7	5,000	401,000	2.0	26,000
<b>TOTAL SXG</b>					<b>1,592,000</b>	<b>2.1</b>	<b>105,000</b>	<b>1,671,000</b>	<b>2.1</b>	<b>110,000</b>	<b>3,263,000</b>	<b>2.1</b>	<b>216,000</b>
Marda	Python	502,000	2.0	32,000	241,000	1.8	14,000	117,000	1.7	6,000	859,000	1.9	52,000
	Dolly Pot	488,000	1.9	29,000	178,000	1.6	9,000	85,000	1.5	4,000	751,000	1.8	43,000
	Dugite	196,000	2.1	13,000	82,000	1.7	5,000	20,000	1.6	1,000	298,000	2.0	19,000
	Goldstream	200,000	1.9	12,000	26,000	1.6	1,000	7,000	1.6	1,000	233,000	1.9	14,000
Die Hardy	Mt King							523,000	3.0	50,000	523,000	3.0	50,000
<b>TOTAL CP</b>		<b>1,385,000</b>	<b>2.0</b>	<b>87,000</b>	<b>527,000</b>	<b>1.7</b>	<b>29,000</b>	<b>753,000</b>	<b>2.6</b>	<b>62,000</b>	<b>2,665,000</b>	<b>2.1</b>	<b>178,000</b>
<b>Total</b>		<b>1,385,000</b>	<b>2.0</b>	<b>87,000</b>	<b>2,119,000</b>	<b>2.0</b>	<b>134,000</b>	<b>2,423,000</b>	<b>2.2</b>	<b>173,000</b>	<b>5,928,000</b>	<b>2.1</b>	<b>394,000</b>

Notes to Mineral Resource Estimate table: See Appendix 1.

The resource estimates shown in the table are reported at a 1.0g/t Au block cut-off grade. These estimates have been undertaken by consultants Hellman and Schofield Pty Ltd (H&S) on behalf of SXG and they have utilised a block modelling technique known as Multiple Indicator Kriging (MIK) incorporating a block variance correction to estimate "recoverable ounces". This technique takes into account likely open pit mining methods to arrive at an indication of the tonnage and mine diluted grade assuming a 3 metre by 5 metre by 2.5 metre (elevation) minimum mining selection unit.

The CP resources fall within the proposed extension of the Mt Manning Nature Reserve (MMNR). The Department of Environment and Conservation (DEC) and Department of Industry and Resources (DOIR) are currently undertaking a consultation process with tenement holders affected by the proposed extension of the MMNR. SXG will actively respond to demonstrate that MMNR is best managed through a balanced strategy of conservation and mining, thus delivering a mutually favourable environmental and economic outcome to those with interests in the region. However, no guarantee as to the outcome of these discussions can be made at this stage and hence the conditional purchase of these tenements will not be completed until the matter is resolved to SXG's satisfaction, minimising any risk to SXG. Various royalties exist on the CP resources.

All of the 100% owned resources are outside the proposed extensions to the MMNR. The British Hill JV is owned 95% by SXG and only SXG's 95% equity in the British Hill resource is shown in the resource estimates.

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The resources form two main geographical groups, one in the Marda district and the other in the Southern Cross district.

The resources in the Marda district include all of the CP resources plus the 100% SXG resources on the Jackson Trend and total 3.9Mt @ 2.1g/t Au containing 268,000 ounces (breakdown per category as per table 1). Recent exploration success at **Andromeda** suggests potential for increasing the resources in the Marda district is high. Initial scoping studies are planned once an indication of the likely size and grade at Andromeda has been obtained from additional drilling during the next 6-12 months.

The resources in the Southern Cross district are all reported in 100% SXG terms and are all part of the Parker Range Gold Project. The total resource in this district is 2.0Mt @ 1.9g/t Au containing 127,000 equity ounces (breakdown per category as per table 1). All of these resources are within 45km of the St Barbara owned Marvel Loch milling facility.

Quantifying the resource inventory was a major Prospectus objective at the 20 March 2008 SXG listing and reaching this milestone within only four months is testament to the robust nature of the company's projects and reflects the SXG team's resolve to progress exploration and development as rapidly as possible.

- ENDS -

**For further details, please contact**

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Refer to [www.scross.com.au](http://www.scross.com.au)

## JORC COMPLIANCE STATEMENT

The geological information in this report relating to Exploration Results and Mineral Resources has been compiled by Mr. Antony Truelove who is a director of Southern Cross Goldfields and a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person in respect of the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

The resource estimates described in this report were completed by Mr. Nic Johnson, an employee of Hellman and Schofield Pty Ltd, based on resource drilling data sets provided by SXG. Mr Johnson is a Member of the Australian Institute of Geoscientists and qualifies as a Competent Person in respect of the 2004 JORC Code by virtue of having sufficient experience which is relevant to the style of mineralisation and deposit types being estimated.

Both Messrs. Truelove and Johnson have consented to the inclusion of this information in the form and context in which it appears in this report.

**Att:** Appendix 1, Figure 1



## Appendix 1: Notes to Mineral Resource Estimate table:

1. Numbers may not add due to rounding
2. Resource models were constructed within the GS3 software, a proprietary resource modelling software developed by Hellman and Schofield.
3. The resources are estimates of recoverable tonnes and grades using Multiple Indicator Kriging with block support correction into model blocks customised to the average drill hole spacing for each deposit and assuming smallest mining unit for ore selection in mine grade control of 3 metres (across the general strike of mineralisation) by 5 metres (along strike) by 2.5 metres (elevation).
4. Gold estimation and model blocks were constrained within either geologically derived or grade based wireframes.
5. Resource assaying data sets derived from all available reverse circulation and diamond drill sampling. No RAB drilling or trenching assays have been used in the estimates.
6. Geology has been used to constrain mineralisation as appropriate.
7. Weathering domains have been used to constrain mineralisation where appropriate.
8. Data density varies and is reflected in the resource category which has been applied. All measured resources have a drill-hole density of approximately 12.5m x 12.5m. All indicated resources have a drill-hole density of approximately 25m x 25m. Inferred resources have variable density but always less than 50m x 50m except for the Barranco Option resources which are generally 80m spaced drill sections with variable drill-hole spacing along sections and Mt King which has variable drill-hole spacing between 25m and 100m.
9. Assays are generally fire assay, with limited atomic absorption spectroscopy (AAS) assays in the weathered zone.
10. All drill-hole collars are surveyed by GPS. Down hole surveys are limited, except at British Hill, where most drill-holes are surveyed.
11. RC samples are generally 4m composites outside interpreted ore zones and 1m riffle split samples within interpreted ore zones or for any composite samples which returned significant gold values. All assays are composited to 2m down-hole intervals for resource estimation purposes.
12. Bulk density has been estimated by averaging physical measurements for the Marda deposits, and extrapolating this data or using industry averages for the remaining deposits. Where no measurements are available, a conservative bulk density has been estimated.

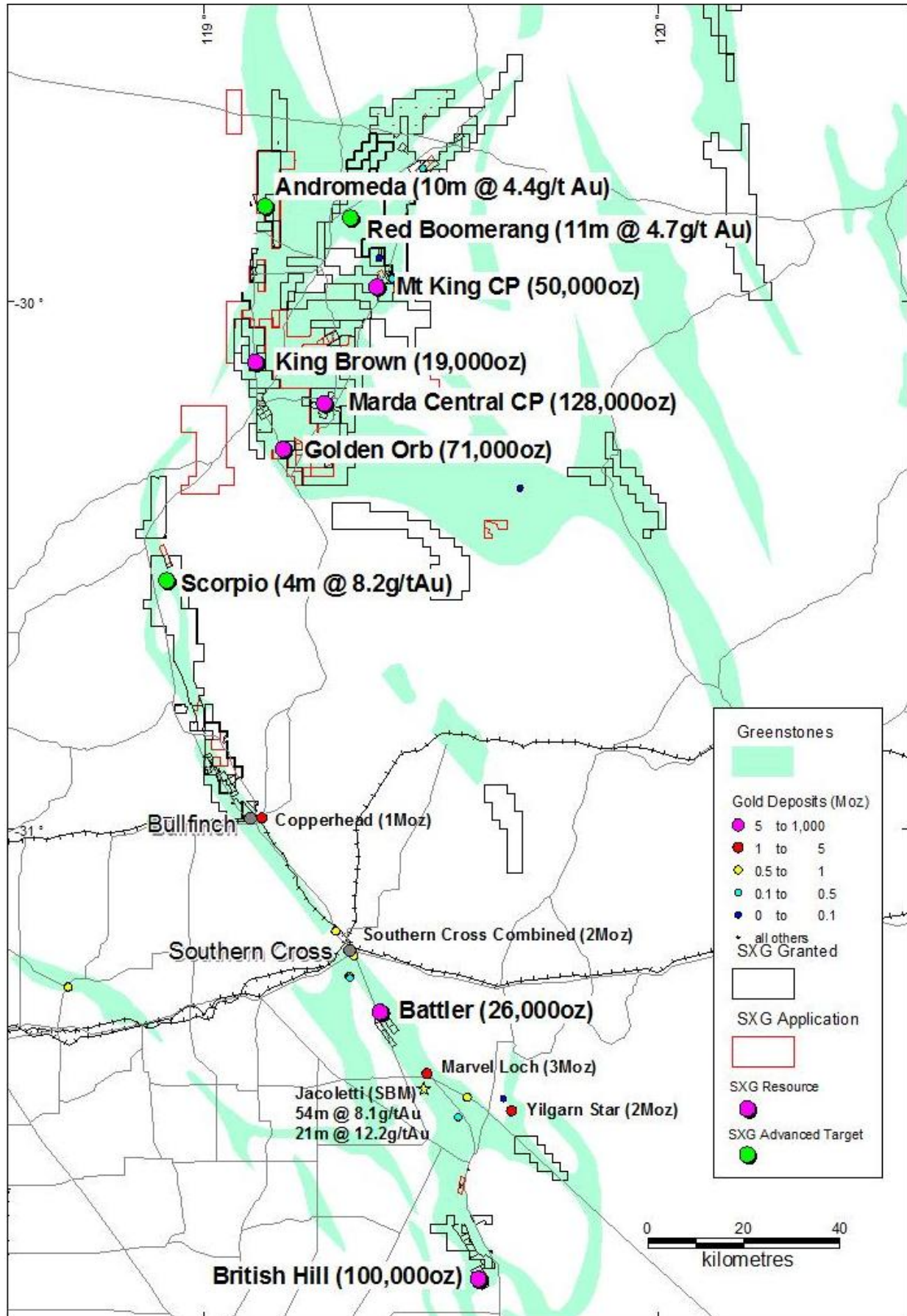


Figure 1 - Location of SXG Gold Resources, Central Yilgarn Region, WA

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mineral resource and ore reserve studies  
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## **Competent Person's Consent Form**

*Pursuant to the requirements of ASX Listing Rule 5.6 and clause 8 of the 2004 JORC Code (Written Consent Statement)*

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### **Report Description**

ASX release, 24/07/2008, Gold Resource Estimate Upgraded to 394,000 Ounces ("Report")

Southern Cross Goldfields LTD

Python, Dolly Pot, Dugite, Goldstream, King Brown, Golden Orb, British Hill, Battler and Mt King deposits

23 July 2008

### **Statement**

I, Nicolas James Johnson confirm that:

- I have read and understood the requirements of the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("2004 JORC Code").
- I am a Competent Person as defined by the 2004 JORC Code, having five years experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member of the *Australian Institute of Geoscientists*.
- I have reviewed the Report to which this Consent Statement applies.
- I am a full time employee of Hellman and Schofield Pty Ltd

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to the Mineral Resources.

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**CONSENT**

I consent to the release of the Report and this Consent Statement by the directors of:

Southern Cross Goldfields LTD



22 July 2008

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Signature of Competent Person:

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Date:

Australian Institute of Geoscientists

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Professional Membership:

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Membership Number:



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Signature of Witness:

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Antony Truelove, Perth, WA

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Print Witness Name and Residence (eg. Town/Suburb):