



ASX RELEASE

19 August 2008

DRILLING CONFIRMS SIGNIFICANT GOLD AND NICKEL MINERALISATION

Southern Cross Goldfields Limited (SXG) is pleased to announce significant gold mineralisation has been intersected at the Battler prospect and nickel sulphide mineralisation has been confirmed at the Trough Well Extended prospect.

Battler

Reverse Circulation (RC) drilling at Battler has returned intercepts including **8m @ 2.87g/t Au and 20m @ 3.04g/t Au** from drill-hole BGRC104:

Hole Number	Northing	Easting	From (m)	To (m)	Interval (m)	g/t Au	Comments
BGRC104	6529522	727386	52	60	8	2.87	4m composites
			76	96	20	3.04	4m composites
			incl.	76	80	4	7.95
BGRC105	6529549	727360	88	92	4	0.65	4m composites

Table 1 – Battler RC Drill Intercepts

This drilling confirms continuity of mineralisation and extends the known resource at depth (Figure 1). A review of previous drilling shows a separate high grade zone of mineralisation is present above the main zone (3m @ 30.4g/t Au, 3m @ 13.3g/t Au), suggesting potential for a shallow, high grade pod of mineralisation. Other high grade zones are also present within the resource, occurring discontinuously over at least 140m strike length. Significant intercepts include 4m @ 11.1g/t Au, 2m @ 12.5g/t Au, 9m @ 12.5g/t Au, 2m @ 11.7g/t Au and 2m @ 29.6g/t Au. These represent attractive small tonnage, high grade open pit targets, suitable for an early cash flow operation.

The high grades and ultramafic host rock allows comparisons with the Wattle Dam deposit owned by Ramelius Resources Ltd. In these systems, bonanza grade is difficult to quantify in drilling and a significant overcall of gold is found in production.

Trough Well

Assay results from the first two RC drill-holes at Trough Well Extended (Zone 2) have also been received, with a significant width of nickel sulphide mineralisation, **5m @ 0.7% Ni, 0.06% Cu including 1m @ 1.2% Ni, 0.08% Cu**, being intersected in the deeper of the two holes (Figure 2):

Hole Number	Northing	Easting	From (m)	To (m)	Interval (m)	% Ni	Comments
TWRC028	6605411	689036	188	193	5	0.67	0.06% Cu
		incl.	189	190	1	1.20	0.08% Cu
TWRC029	6605423	689078	127	128	1	0.55	0.04% Cu

Table 2 – Trough Well Drill Intercepts

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The 5m wide interval of nickel sulphides is one of the widest intervals yet encountered in the Trough Well Extended project area and confirms that an ultramafic (komatiite) channel with significant thicknesses of intercumulate and disseminated nickel sulphides is present in the location predicted at Zone 2 (Figure 3), and that widths and grades appear to be improving at depth and to the north. The best estimated visual sulphides in the drilling to date are located in the next hole to the north, TWRC030, for which assays are pending. Down-hole EM is planned to vector into higher concentrations of sulphides and hence higher nickel values. The significant thickness of mineralisation encountered in TWRC028 is encouraging even though grades are low, and potential for a significant sulphide channel at depth has been enhanced. Platinum group element (PGE) and other pathfinder assays will be conducted once all pending nickel and copper assay results are to hand.

- ENDS -

For further details, please contact

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Refer to www.scross.com.au

JORC COMPLIANCE STATEMENT

The information in the report to which this statement is attached that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Antony Truelove who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Antony Truelove is a full time employee of Southern Cross Goldfields Limited. Antony Truelove has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Antony Truelove consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Att: Figures 1 to 3

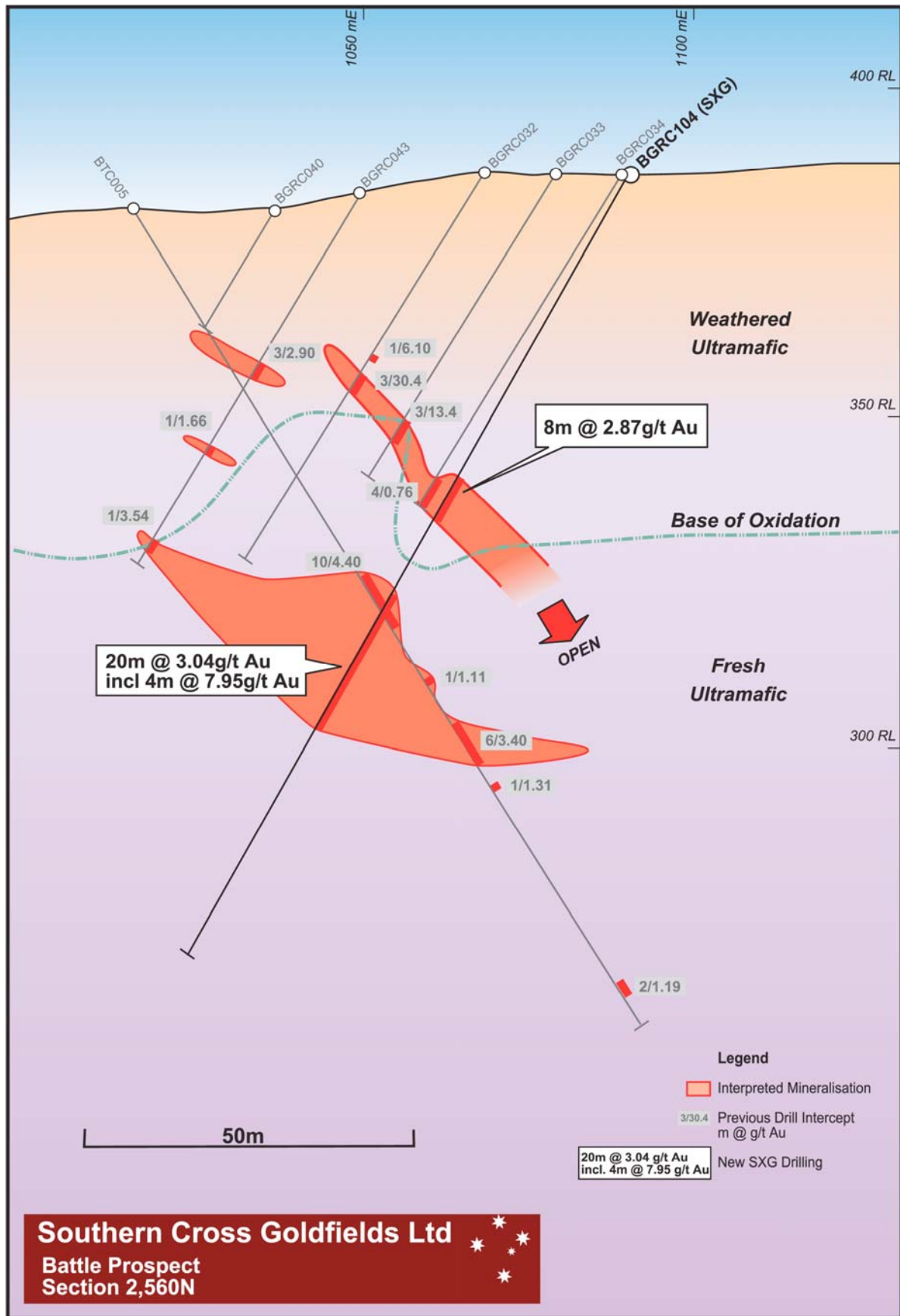


Figure 1 – Battler Cross Section (Local Grid, ~230° Orientation)

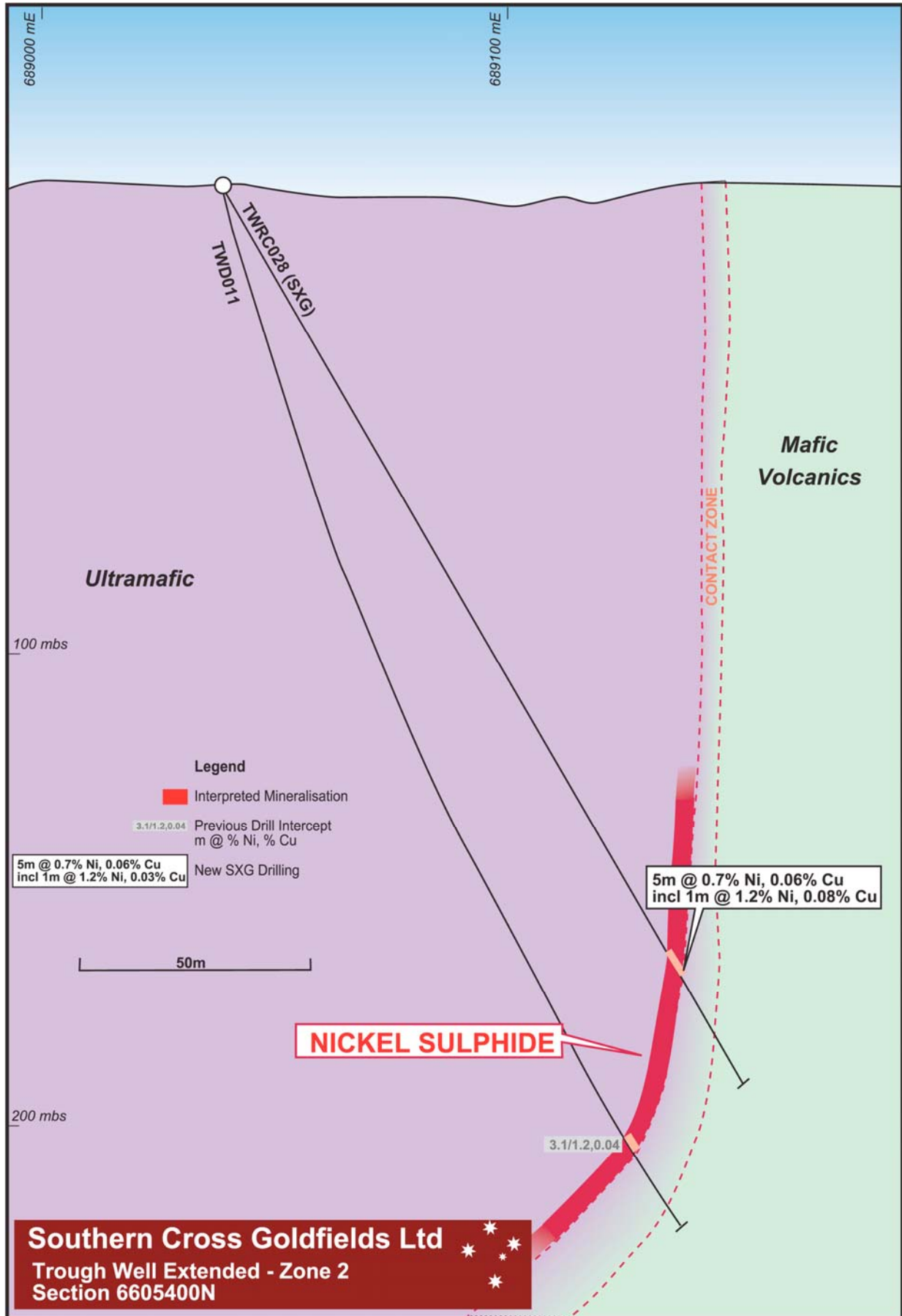


Figure 2 – Trough Well Extended Cross Section

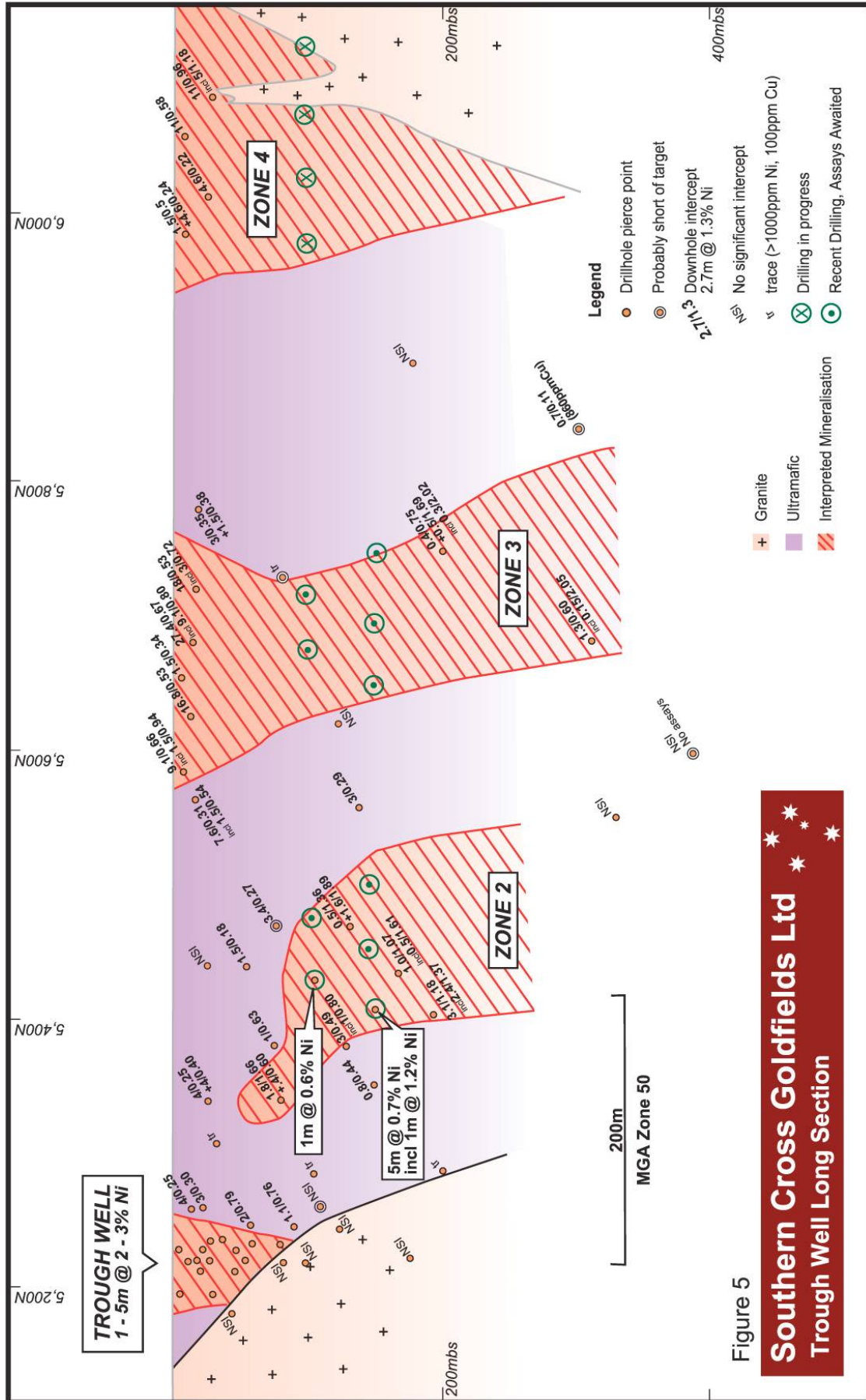


Figure 3 – Trough Well Extended Long Section