



SOUTHERN CROSS GOLDFIELDS LTD

ABN 71 124 374 321

Notice of Annual General Meeting
and
Explanatory Memorandum
to Shareholders

A proxy form is enclosed

Date of Meeting

27 October 2008

Time of Meeting

10.00 am (WDST)

Place of Meeting

Celtic Club 48 Ord Street, West Perth

Please read the Notice and Explanatory Memorandum carefully.

If you are unable to attend the meeting please complete and return the enclosed proxy form in accordance with the specified instructions.

Notice of Annual General Meeting

Notice is given that the 2008 Annual General Meeting of Southern Cross Goldfields Limited ("Company") will be held at the Celtic Club 48 Ord Street, West Perth, Western Australia on Monday 27 October 2008 at 10.00am (WDST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

Agenda items

Ordinary Business

1 Financial Report

To receive and consider the financial report of the Company and the reports of the Directors and Auditors for the financial period ended 30 June 2008.

The financial statements are contained in the Company's 2008 Annual Report sent to Shareholders with this Notice of Annual General Meeting or available at www.scross.com.au if you did not elect to receive a hardcopy. Shareholders will be given an opportunity to ask questions of the Directors and the Auditor in relation to the financial statements.

2 Resolution 1 - Remuneration Report

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report contained in the 2008 Annual Report which accompanies this Notice be adopted by Shareholders."

In accordance with section 250R(3) of the Corporations Act 2001, this resolution is advisory only and does not bind the Directors of the Company.

3 Resolution 2 - Election of Vernon Strange as a Director

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

That Vernon Strange, being a Director of the company who retires in accordance with rule 13.2 of the Company's Constitution, and being eligible, is re-elected as a Director of the Company.

4 Resolution 3 - Election of Ian Buchhorn as a Director

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Ian Buchhorn, who ceases to hold office in accordance with 13.5 of the Company's Constitution and, being eligible, having offered himself for re-election, be re-elected as a Director of the Company."

5 Resolution 4 - Election of Samantha Tough as a Director

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Samantha Tough, who ceases to hold office in accordance with 13.5 of the Company's Constitution and, being eligible, having offered herself for re-election, be re-elected as a Director of the Company."



Explanatory memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

Glossary

For the purposes of Resolutions 1 – 4, the following definitions apply:

"**Annual Report**" means the annual report of the Company for the year ended 30 June 2008;

"**Company**" means Southern Cross Goldfields Limited ABN 71 124 374 321;

"**Constitution**" means the Company's constitution, as amended from time to time;

"**Corporations Act**" means Corporations Act 2001 (Cth);

"**Directors**" means the Directors of the Company;

"**Explanatory Memorandum**" means the explanatory memorandum accompanying this Notice;

"**Notice**" means this Notice of Annual General Meeting;

"**Resolution**" means a resolution contained in this Notice;

"**Shareholder**" means a shareholder of the Company;

"**WDST**" means Western Daylight Savings Time; and

"**WST**" means Western Standard Time.

Entitlement to vote

Snapshot date

It has been determined that under the *Corporations Regulations 2001* (Cth) regulation 7.11.37, for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are the registered holders at 5.00pm (WST) 25 October 2008. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Proxies

A Shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act 2001* (Cth); and

the representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed unless previously given to the Company's Share Registry.

A Shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

A proxy need not be a Shareholder of the Company.

A proxy form must be signed by the Shareholder or his or her attorney. Proxies given by corporations must be signed by seal or signature of authorised officer/s according to the Company's Constitution and the *Corporations Act 2001*.

A Proxy Form accompanies this Notice and to be effective must be received at the Company's Share registry:

Computershare Investor Services

GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to

(within Australia) 1800 783 447

(outside Australia) +61 3 9473 2555

by no later than **10.00 am (WST) 25 October 2008**.

Unless a Shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit or abstain from voting.

It is the Chairman's intention to vote in favour of all resolutions in relation to undirected proxies.

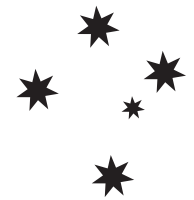
By Order of the Board

23 September 2008



Dan Calvert

Company Secretary



Explanatory Memorandum to Shareholders

This Explanatory Memorandum has been prepared to assist Shareholders to understand the business to be put to Shareholders at the forthcoming Annual General Meeting.

Ordinary business

1 Annual financial report

The Corporations Act requires:

- the reports of the directors and auditors; and
- the annual financial report, including the financial statements of the Company for the year ended 30 June 2008

to be laid before the Annual General Meeting. The Corporations Act does not require a vote of Shareholders on the reports or statements. However, Shareholders will be given ample opportunity to raise questions or comments on the management of the Company.

In addition to taking questions at the meeting, written questions to the Chairman about the management of the Company, or to the Company's Auditor about:

- the conduct of the audit;
- the preparation and content of the Auditor's report;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit

may be submitted no later than Monday 20 October 2008 to:

Dan Calvert

Company Secretary
Southern Cross Goldfields Limited
PO Box 708, West Perth, WA 6872
Email: danc@scross.com.au

2 Resolution 1 - Remuneration Report

The Corporations Act 2001 requires that Directors of companies whose shares are quoted on the Australian Securities Exchange Limited include a Remuneration Report in the Company's Annual Report. The Corporations Act also requires that the Directors put a non-binding resolution to Shareholders each year that the Remuneration Report be adopted.

The Remuneration Report is set out in pages 29 to 33 of the Company's 2008 Annual Report. The Annual Report is also available on the Company's website at www.scross.com.au

The Remuneration Report:

- outlines the Board's policy for determining the nature and amount of remuneration of the Company's Directors and executive management;
 - discusses the relationship between the Board's remuneration policy and the Company's performance;
 - details and explains any performance conditions applicable to the remuneration of a Director or executive manager;
 - details the remuneration (including options) of each Director and executive of the Company for the year; and
 - summarises the terms of any contract under which any Director or executive is engaged, including the period of notice required to terminate the contract and any termination benefits provided under the contract.
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2 Resolution 1 - Remuneration Report cont

The vote on the resolution is advisory only and does not bind the Directors of the Company. Nor does it affect the remuneration paid or payable to the Company's Directors or executives. The Company will not be required to alter any arrangements in the Remuneration Report should the resolution not be passed. However, the Board will take the outcome of the resolution into account when considering a future remuneration policy.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board of Directors unanimously recommends that Shareholders vote to approve Resolution 1.

3 Resolution 2 - Election of Vernon Strange as a Director

The Constitution of the Company requires that one third of the Directors in office (other than a Managing Director) must retire by rotation at each annual general meeting of the Company.

Mr Strange therefore retires at the forthcoming Annual General Meeting, in accordance with rule 13.2 of the Constitution and being eligible, has offered himself for re-election at the Annual General Meeting.

Mr Strange was appointed a Director on 12 March 2007.

Mr Strange was a founding Director of Polaris Metals NL and the owner of drilling contracting company Southern Cross Drilling Services Pty Ltd. He has been actively involved in the mineral business, including mining, mineral processing, exploration and prospecting, for over 20 years. Based in Southern Cross he has extensive experience and knowledge of the Yilgarn Goldfields and this experience, and his many local contacts among Southern Cross miners, prospectors and farmers, provides the Company with extensive contacts in the area. Mr Strange was a former President of the Yilgarn Prospectors' Association and Delegate for the Australian Prospectors' and Leaseholders' Association. Mr Strange has resigned from the Board of Polaris to devote more time to the affairs of Southern Cross Goldfields Limited.

During the three year period to the end of the financial year, Mr Strange held a directorship in Polaris Metals NL (24 November 1998 to 3 July 2008),

The Board of Directors unanimously recommends that Shareholders vote to approve Resolution 2.

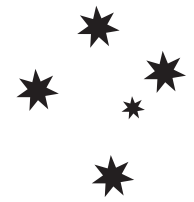
4 Resolution 3 - Election of Ian Buchhorn as a Director

The Constitution of the Company requires that any director appointed as an additional Director or to fill a casual vacancy must retire at the next Annual General Meeting and being eligible may offer them self for re-election. Mr Buchhorn was appointed to the board as an additional Director.

Mr Buchhorn therefore ceases to hold office at the forthcoming Annual General Meeting, in accordance with rule 13.5 of the Constitution and being eligible, has offered himself for re-election at the Annual General Meeting.

Mr Buchhorn was appointed a Director on 24 July 2007.

Mr Buchhorn is a Mineral Economist and Geologist with 33 years experience. Prior to listing Heron Resources Ltd in 1996 as founding managing director, he worked with Anglo American Corporation in southern Africa, and Comalco, Shell/Billiton and Elders Resources Limited in Australia, as well as setting up and managing Australia's first specialist mining grade control consultancy. Mr Buchhorn has worked on feasibility studies, bauxite and industrial mineral mining and exploration, gold and base metal project generation, and in corporate evaluations. For the last 21 years



4 Resolution 3 - Election of Ian Buchhorn as a Director cont

Mr Buchhorn has acquired and developed mining projects throughout the Eastern Goldfields of Western Australia and operated as a Registered Mine Manager. Mr Buchhorn was a Councillor for the City of Kalgoorlie-Boulder until 2006, a role which gives him a good working knowledge of the interaction of government and the mining sector.

During the past three years, Mr Buchhorn has held directorships in Heron Resources Limited (17 February 1995 to present), Polaris Metals NL (18 September 2006 to present) and Rubicon Resources (19 August 2005 to present). He previously held directorships in Avoca Resources Limited (8 June 2001 to 15 February 2005) and Pioneer Nickel Limited (17 January 2003 to 30 June 2006).

The Board of Directors unanimously recommends that Shareholders vote to approve Resolution 3.

5 Resolution 4 - Election of Samantha Tough as a Director

The Constitution of the Company requires that any Director appointed as an additional Director or to fill a casual vacancy must retire at the next Annual General Meeting and being eligible may offer them self for re-election. Ms Tough was appointed to the Board as an additional Director.

Ms Tough therefore ceases to hold office at the forthcoming Annual General Meeting, in accordance with rule 13.5 of the Constitution and being eligible, has offered herself for re-election at the Annual General Meeting.

Ms Tough was appointed a Director on 24 July 2007.

Ms Tough is currently Chairman of the Company, Chairman of Structerre Pty Ltd and member of Curtin University of Technology's Investment Committee. Ms Tough has senior executive management experience in oil and gas including General Manager North West Shelf for Woodside Energy Ltd and Director of Strategy for Hardman Resources Ltd. Ms Tough has recently been appointed by the Deputy Premier's Office as Project Director of the Pilbara Power Project. She has also worked in the venture capital industry for a number of years. Ms Tough has a law degree from University of Western Australia and is entitled to fellow status from the AICD.

During the past three years Ms Tough has not held directorships in any listed companies.

The Board of Directors unanimously recommends that Shareholders vote to approve Resolution 4.



Glossary

"**Annual General Meeting**" means the annual general meeting the subject of the Notice.

"**Board**" means the board of Directors of the Company.

"**Company**" means Southern Cross Goldfields Limited ABN 71 124 374 321;

"**Constitution**" means the Company's constitution, as amended from time to time;

"**Corporations Act**" means Corporations Act 2001 (Cth);

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