



SOUTHERN CROSS GOLDFIELDS LTD

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27 October 2009

Dear Shareholder

On 27 October 2009, Southern Cross Goldfields Ltd ("**Company**") lodged a prospectus offering up to approximately 29,519,504 New Shares and 29,519,504 New Options at an issue price of \$0.08 per New Share by way of a renounceable pro-rata entitlements issue on the basis of 1 New Share and free attaching New Option for every 3 Existing Shares held by shareholders registered as at the Record Date whose registered address is in Australia or New Zealand ("**Rights Issue**").

The Rights Issue is being fully underwritten by Patersons Securities Limited.

The Company expects the Rights Issue to be conducted in accordance with the following timetable:

Securities are quoted on an "ex" basis (the "ex" date) and rights trading commences	30 October 2009
Record Date for Rights Issue	6 November 2009
Send Prospectus and serially numbered entitlement and acceptance forms to persons entitled	10 November 2009
Announce despatch has been completed	10 November 2009
Rights trading ends	17 November 2009
Acceptances close at 5pm	24 November 2009
Notify ASX of under subscriptions	27 November 2009
Despatch date of holding statements	2 December 2009
Normal trading starts	3 December 2009

The above dates are indicative only. The Company reserves the right to extend the closing date of the Rights Issue, subject to ASX Listing Rules in which case the date of issue of the securities will alter accordingly.

The New Shares to be issued under the Rights Issue and Shares issued upon exercise of the New Options will rank equally with the Existing Shares.

The funds raised from the Rights Issue will be used to conduct ongoing regional exploration to progress development studies at existing resources while feasibility studies and permitting of the Dulcie project is being progressed, and for general working capital.

A prospectus for the Rights Issue has been lodged with ASIC.

Eligible shareholders will receive a copy of the Prospectus and must complete the Application Form accompanying the Prospectus to take up their entitlements. Eligible shareholders may also apply for additional shares in excess of their entitlement.

Should you have any questions regarding the Rights Issue you may contact the Company on (08) 9215 7600 or consult your stockbroker or professional adviser. A copy of the prospectus may be viewed on the ASX Limited website at www.asx.com.au or alternatively on the Company's website at www.scross.com.au

We look forward to your participation in the Rights Issue.

Yours sincerely



Antony James Truelove
Managing Director
SOUTHERN CROSS GOLDFIELDS LIMITED