



SOUTHERN CROSS GOLDFIELDS LTD

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27 October 2009

Dear Optionholder,

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 prospectus relating to the Rights Issue was lodged with ASIC and ASX and is available on the ASX website <http://www.asx.com.au> and also on the Company's website www.scross.com.au.

The Record Date for the purposes of determining security holders entitled to participate in the Rights Issue is 6 November 2009. The Prospectus for the Rights Issue will be despatched to all shareholders soon after the Record Date.

The purpose of this letter is to give you notice that if you wish to participate in the Rights Issue, you must exercise your options before the Record Date.

To ensure that your new Shares are allotted before the Record Date your option exercise notice, together with the correct monies, must be received by the Company, Southern Cross Goldfields Ltd, no later than 3 November 2009. Any notice of exercise of option received after this date cannot be assured of allotment before the Record Date. Optionholders whose options are escrowed should note that any Shares issued upon the exercise of the options will be subject to escrow for the balance of the escrow period that applied to the options.

To obtain an option exercise notice, please contact the Company's registry, Computershare Investor Services Pty Ltd on (08) 9323 2000, or by facsimile on (08) 9323 2033.

If you do not wish to participate in the Rights Issue (in respect of your options) you do not need to take any action.

Before deciding whether to exercise all or any of your options, you should consider the terms of the Rights Issue carefully and if in any doubt, consult with your professional advisor.

Yours sincerely,

Antony James Truelove
Managing Director

SOUTHERN CROSS GOLDFIELDS LIMITED