

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Southern Cross Goldfields Limited

ABN

71 124 374 321

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 60,118,479 fully paid ordinary shares (as described in the prospectus lodged in respect of the Rights Issue with the ASX on 23 February 2011 (" Prospectus "). |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes. The fully paid ordinary shares issued under the Rights Issue will rank equally with the existing fully paid ordinary shares from the date of allotment.</p>						
5	Issue price or consideration	6.5 cents						
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>In accordance with the Company's prospectus dated 23 February 2011. The funds raised will be used:</p> <ul style="list-style-type: none"> • to conduct a feasibility study on Marda Central, King Brown and Battler gold deposits; • for ongoing regional exploration at Marda, Copper Bore, Parker Range and Bullfinch North; • working capital; and • to fund Rights Issues expenses. 						
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	4 April 2011						
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>200,394,930</td> <td>Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	200,394,930	Fully paid ordinary shares		
Number	+Class							
200,394,930	Fully paid ordinary shares							
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>5,000,000</td> <td>Unlisted Options exercisable at \$0.20 on or before 10 March 2011</td> </tr> <tr> <td>1,000,000</td> <td>Unlisted Options exercisable at \$0.20 on or before 10 March 2012</td> </tr> </tbody> </table>	Number	+Class	5,000,000	Unlisted Options exercisable at \$0.20 on or before 10 March 2011	1,000,000	Unlisted Options exercisable at \$0.20 on or before 10 March 2012
Number	+Class							
5,000,000	Unlisted Options exercisable at \$0.20 on or before 10 March 2011							
1,000,000	Unlisted Options exercisable at \$0.20 on or before 10 March 2012							

2,000,000	Unlisted Options exercisable at \$0.15 on or before 8 August 2012 (voluntarily escrowed until 8 February 2012)
15,000,000	Unlisted Options exercisable at \$0.20 on or before 31 December 2012
6,575,000	Unlisted Options exercisable at \$0.25 on or before 12 March 2014
6,575,000	Unlisted Options exercisable at \$0.30 on or before 12 March 2014
125,000	Unlisted Options exercisable at \$0.25 on or before 2 July 2014
125,000	Unlisted Options exercisable at \$0.30 on or before 2 July 2014
100,000	Unlisted Options exercisable at \$0.25 on or before 21 July 2014
100,000	Unlisted Options exercisable at \$0.30 on or before 21 July 2014
2,000,000	Unlisted Options exercisable at \$0.20 on or before 1 October 2014
1,000,000	Unlisted Options exercisable at \$0.25 on or before 1 October 2014
1,000,000	Unlisted Options exercisable at \$0.30 on or before 1 October 2014
1,000,000	Unlisted Options exercisable at \$0.40 on or before 1 October 2014

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

There is currently no intention to pay dividends.

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

No

12 Is the issue renounceable or non-renounceable?

Renounceable

13	Ratio in which the +securities will be offered	3 new shares for every 7 existing shares held as at the Record Date.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	5.00 pm WST on 7 March 2011
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Round up to nearest whole share.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	All countries except Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	25 March 2011
20	Names of any underwriters	Patersons Securities Limited
21	Amount of any underwriting fee or commission	Underwriting fee of 5.5%
22	Names of any brokers to the issue	Patersons Securities Limited
23	Fee or commission payable to the broker to the issue	Lead manager fee of \$60,000
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Nil
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Prospectus to be sent to persons entitled on 10 March 2011

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	23 February 2011
28	Date rights trading will begin (if applicable)	1 March 2011
29	Date rights trading will end (if applicable)	18 March 2011
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	See section 3.4 of the Prospectus
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	See section 3.5 of the Prospectus
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	See section 3.6 of the Prospectus
33	+Despatch date	4 April 2011

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another security, clearly identify that other security)
-

42 Number and ⁺class of all ⁺securities quoted on ASX (*including* the securities in clause 38)

Number	⁺ Class

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Date: 23 February 2011

Print name: Dan Calvert, Company Secretary

+ See chapter 19 for defined terms.