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NEAR SURFACE RESOURCE INFILL DRILLING COMPLETED AT DOLLY POT AND DUGITE

Key Points:

- Drilling at Dugite and Dolly Pot confirms near surface high grade gold mineralisation including:
 - 11m @ 4.6 g/t Au from 4m including 4m @ 7.0 g/t Au in hole DURC010 (Dugite)
 - 9m @ 3.3 g/t Au from 16m in hole DURC006 (Dugite)
 - 6m @ 4.1 g/t Au from 8m in hole DPRC002 (Dolly Pot)
 - 25m @ 3.3 g/t Au from 23m including 7m @ 6.3 g/t Au in hole DPRC003 (Dolly Pot)
- Results will be included in new Mineral Resource Estimates for both deposits.
- Potential for underground extensions particularly at Dolly Pot

Southern Cross Goldfields (**ASX: SXG**) is pleased to report excellent results from infill drilling at its **Dolly Pot and Dugite gold deposits**. Dolly Pot and Dugite are located on a granted mining lease immediately adjacent to the Company's proposed 400,000tpa gold processing facility at Marda and form part of the Company's gold production strategy north of Southern Cross in Western Australia (see *Figure 1*).

Recent drilling results have confirmed the presence of high grade near surface gold mineralisation at these deposits and will be used to update the current Resource Estimates. SXG has completed and assayed a total of 890 metres of RC drilling at the Dolly Pot gold deposit and 430 metres at the Dugite gold deposit in the current drill program. Results from this drilling have now been received and compiled (See *Table 1 and Table 2*). In addition to the assay results quoted above other assay results include:

Dugite

- DURC004 20m @ 1.9 g/t Au from 5m including 4m @ 4.7 g/t Au from 18m
- DURC005 12m @ 2.8 g/t Au from 14m and 28m @ 2.7 g/t Au from 38m.

Dolly Pot

- DPRC004 24m @ 2.3 g/t Au from 50m including 6m @ 4.0 g/t Au from 55m.
- DPRC011 24m @ 3.2 g/t Au from 34m including 6m @ 4.3 g/t Au from 52m.
- DPRC012 13m @ 3.0 g/t Au from 67m including 4m @ 4.8 g/t Au from 69m





Figure 2 is a cross section through the Dugite deposit at section 10262.5mE showing the results of new drill holes DURC004 and DURC005 as follows:

- DURC004 **20m @ 1.9 g/t Au** from 5 metres
- DURC005 **12m @ 2.8 g/t Au** from 14 metres and **28m @ 2.7 g/t Au** from 38 metres.

The recent drilling results at Dugite confirm its low strip ratio (2:1).

At Dolly Pot, the latest round of drilling has also confirmed the presence of high grade gold mineralisation immediately beneath the current planned open pit. High grade gold mineralisation has been intersected previously to 150 metres below surface being the depth extent of drilling to date.

Figure 3 is a cross section through Dolly Pot at 9525mE showing infill drill hole DPRC003, previous drill holes MAR080 and MAR045 (which ended in mineralisation) and the outline of the planned open pit. The results of the previous two holes located immediately below the planned pit are:

- MAR080 **10m @ 4.1 g/t Au** including **2m @ 5.8 g/t Au** and **3m @ 5.0 g/t Au**
- MAR045 **10m @ 3.9 g/t Au** including **2m @ 4.9 g/t Au** and **1m @ 10.3 g/t Au**

The new infill drill hole DPRC003 on the same section and immediately above MAR080 and MAR045 returned:

- DPRC003 **25m @ 3.3 g/t Au including 7m @ 6.3 g/t Au**

Similar intersections exist on other sections within the Dolly Pot deposit. The underground mining potential at Dolly Pot will be tested further in the coming quarter.

SXG's Managing Director, Glenn Jardine, said: "The new results confirm the nature of the Dugite and Dolly Pot deposits with both containing near surface high grade gold mineralisation and with the potential for high grade extensions beneath the planned pit at Dolly Pot. Both deposits are now nominally drilled out on 12.5m sections at 12.5m hole spacing. The new results will be used to update the resource estimates for Dugite and Dolly Pot as part of the Company's current feasibility study into the establishment of a gold production centre at Marda. Additional drilling in the coming quarter will further test underground mining potential at Dolly Pot."

- ENDS -

For further details, please contact

Glenn Jardine, Managing Director – Southern Cross Goldfields Ltd

Telephone +61 8 9215 7600, email glennj@scross.com.au

Refer to www.scross.com.au



Figure 1 - Location Plan (Dugite and Dolly Pot are at Marda Central)

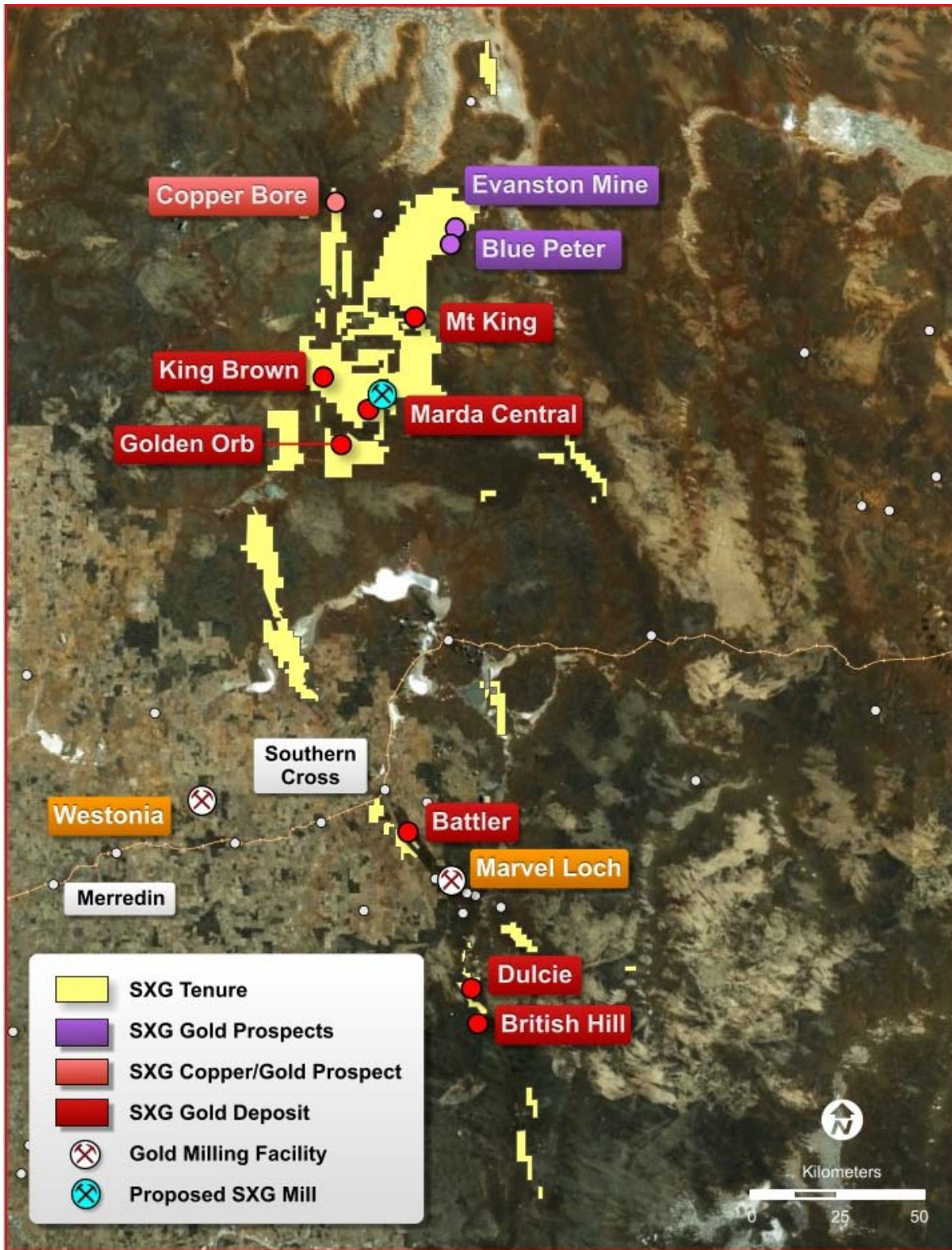


Figure 2 - Cross Section Dugite Deposit at 10262.5mE

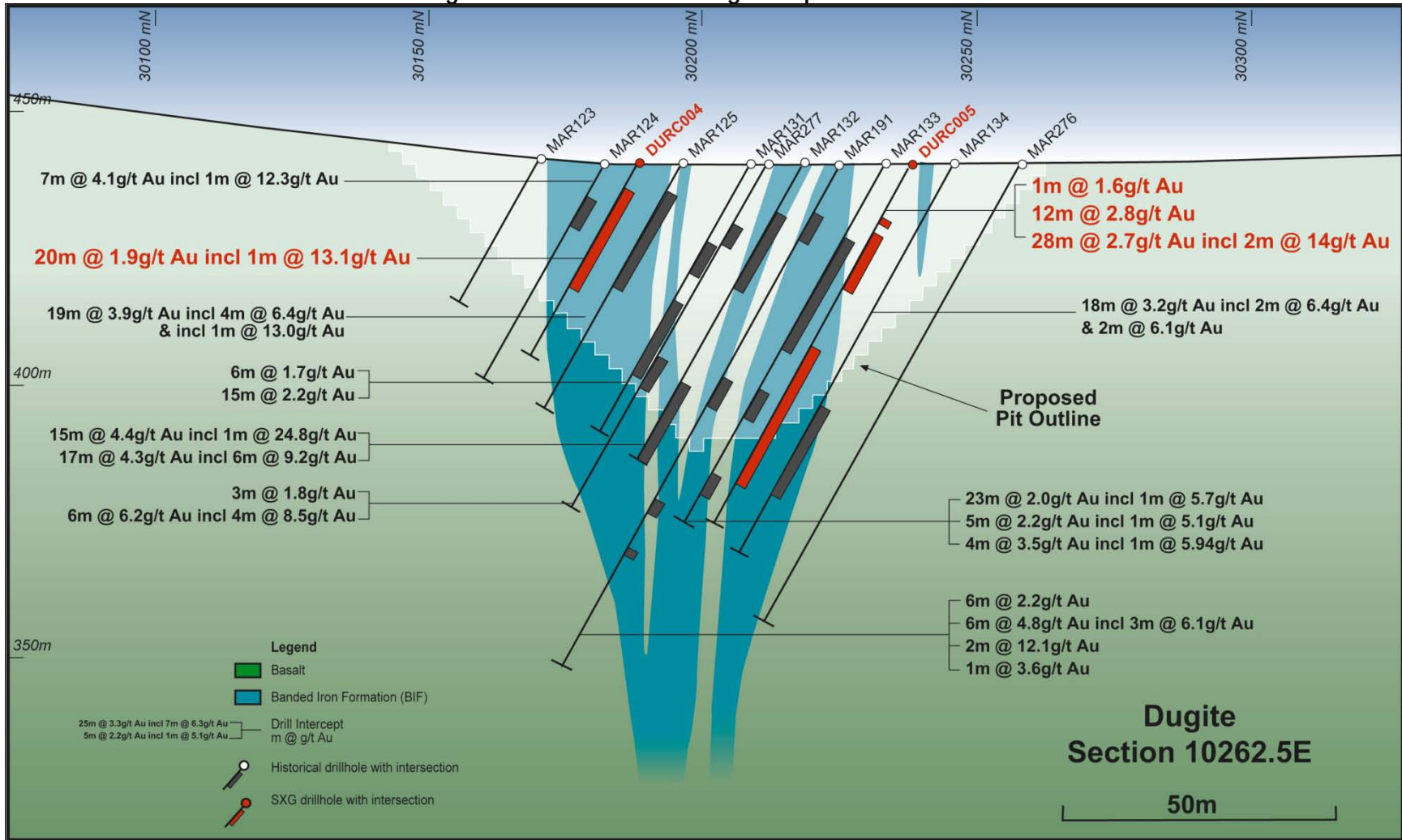




Figure 3 - Cross Section Dolly Pot at 9525mE

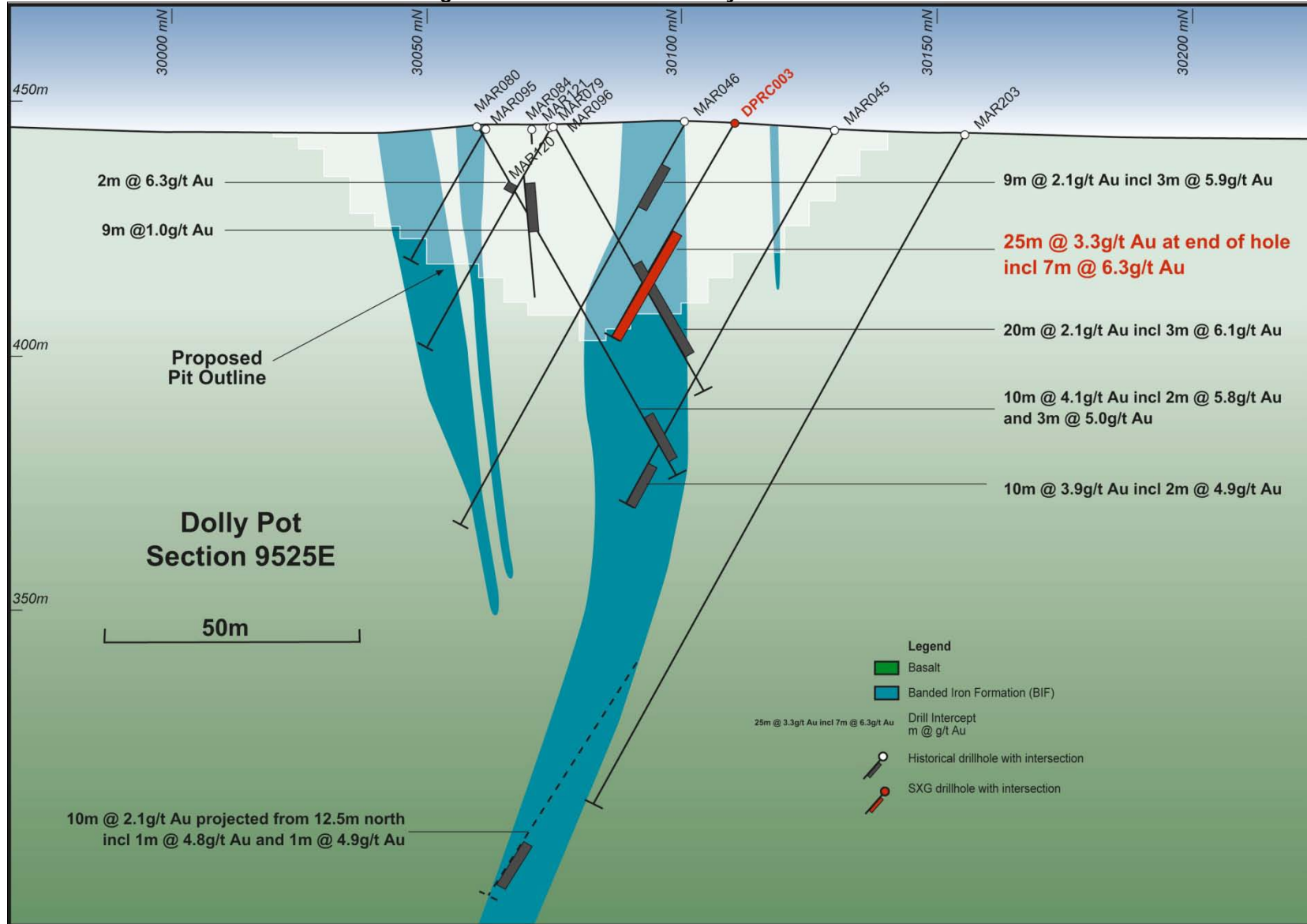




Table 1 - Dolly Pot Intersection Results

Hole ID	Depth	MGA East	MGA North	Dip	MGA Azimuth	M From	M To	Interval M	Grade g/t Au
DPRC001	20	717,535	6,657,188	-60	200				nsa
DPRC002	35	717,542	6,657,207	-60	200	8	14	6	4.1
and						31	33	2	1.0
DPRC003	48	717,562	6,657,226	-60	200	23	48 eoh	25	3.3
incl						37	44	7	6.3
DPRC004	85	717,600	6,657,223	-60	200	50	74	24	2.3
incl						55	61	6	4.0
and incl						65	67	2	5.5
and incl						71	73	2	4.9
and						82	83	1	2.6
DPRC005	40	717,581	6,657,163	-60	200				nsa
DPRC006	75	717,596	6,657,211	-60	200	25	37	12	2.0
and						42	45	3	2.6
and						52	73	21	1.4
and						52	56	4	4.4
DPRC007	150	717,613	6,657,221	-60	200	54	84	30	1.9
including						54	61	7	2.9
Including						82	84	2	7.9
and						103	105	2	1.3
and						111	112	1	2.1
and						114	116	2	2.6
and						130	132	2	1.1
and						134	135	1	1.3
DPRC008	75	717,602	6,657,192	-60	200	4	6	2	4.7
and						25	27	2	1.7
and						33	34	1	5.3
and						51	53	2	1.4
DPRC009	50	717,605	6,657,162	-60	200	38	44	6	3.0
DPRC011	70	717,611	6,657,193	-60	200	14	27	13	1.6
and						34	58	24	3.2
including						36	38	2	6.6
including						43	45	2	7.6
including						52	58	6	4.3
DPRC012	80	717,620	6,657,205	-60	200	46	47	1	2.2
and						49	52	3	1.0
and						57	61	4	2.0
and						67	80 eoh	13	3.0
including						69	73	4	4.8
including						77	79	2	7.2
DPRC013	50	717,617	6,657,158	-60	200	30	34	4	3.4
and						40	42	2	3.0
DPRC014	55	717,625	6,657,182	-60	200	11	12	1	1.0
and						15	20	5	4.9
and						27	32	5	2.5
and						35	39	4	1.4

Table 1 - Dolly Pot Intersection Results (Continued)

Hole ID	Depth	MGA East	MGA North	Dip	MGA Azimuth	M From	M To	Interval M	Grade g/t Au
DPRC015	60	717,639	6,657,183	-60	200	17	18	1	1.3
and						21	22	1	1.5
and						28	29	1	1.9
and						36	41	5	3.5
and						43	47	4	2.0
and						50	51	1	6.9
and						56	57	1	1.8

Notes to accompany Dolly Pot Intersection Results Table:

- Collar co-ordinates in MGA94, Zone 50; local north rotated 20° clockwise from true north.
- All drilling is by 5.25 inch face sampling RC hammer and samples are riffle split on site to a nominal 2kg.
- All 1m samples are assayed by 40g fire assay at Ultratrace laboratories, Perth.
- Holes with no significant assays (nsa) are at the margins of the deposit.

Table 2 - Dugite Intersection Results

Hole ID	Depth	MGA East	MGA North	Dip	MGA Azimuth	M From	M To	Interval M	Grade g/t Au
DURC001	30	718,249	6,657,064	-60	200				nsa
DURC002	40	718,256	6,657,049	-60	200	15	17	2	1.2
DURC003	35	718,269	6,657,047	-60	200				nsa
DURC004	40	718,282	6,657,046	-60	200	5	25	20	1.9
including						13	14	1	13.1
including						18	22	4	4.7
DURC005	75	718,299	6,657,093	-60	200	11	12	1	1.6
and						14	26	12	2.8
and						38	66	28	2.7
incl						54	56	2	14.0
DURC006	60	718,297	6,657,052	-60	200	16	25	9	3.3
incl						16	17	1	14.9
and						34	37	3	1.2
DURC007	30	718,306	6,657,039	-60	200	1	8	7	2.3
and						9	10	1	1.1
and						13	14	1	1.1
DURC008	40	718,309	6,657,048	-60	200	8	18	10	2.0
including						14	18	4	3.2
DURC009	50	718,313	6,657,058	-60	200	10	11	1	1.2
and						27	28	1	1.6
and						48	49	1	2.7
DURC010	30	718,325	6,657,053	-60	200	4	15	11	4.6
including						6	10	4	7.0
and						17	18	1	1.3
and						27	30 eoh	3	2.4

Notes to accompany Dugite Intersection Results Table:

- Collar co-ordinates in MGA94, Zone 50; local north rotated 20° clockwise from true north.
- All drilling is by 5.25 inch face sampling RC hammer and samples are riffle split on site to a nominal 2kg.
- All 1m samples are assayed by 40g fire assay at Ultratrace laboratories, Perth.
- Holes with no significant assays (nsa) are at the margins of the deposit.

Table 3 JORC MINERAL RESOURCE ESTIMATE

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Python	502,000	2.0	32,500	241,000	1.8	14,000	117,000	1.7	6,000	859,000	1.9	52,000
Dolly Pot	488,000	1.9	29,000	178,000	1.6	9,000	85,000	1.5	4,000	751,000	1.8	43,000
Dugite	196,000	2.1	13,000	82,000	1.7	5,000	20,000	1.6	1,000	298,000	2.0	19,000
Goldstream	200,000	1.9	12,500	26,000	1.6	1,000	7,000	1.6	1,000	233,000	1.9	14,000
King Brown				176,000	3.0	17,000	25,000	2.2	2,000	201,000	2.9	19,000
Battler				432,000	2.4	33,400	72,000	1.8	4,100	504,000	2.3	37,500
British Hill				1,166,000	1.9	71,000	557,000	1.9	35,000	1,724,000	1.9	106,000
Sub Total	1,386,000	2.0	87,000	2,301,000	2.0	150,400	883,000	1.9	53,100	4,570,000	2.0	290,500
Golden Orb							1,023,000	2.2	71,000	1,023,000	2.2	71,000
Mt King							523,000	3.0	50,000	523,000	3.0	50,000
Sub Total	-	-	-	-	-	-	1,546,000	2.4	121,000	1,546,000	2.4	121,000
Total	1,386,000	2.0	87,000	2,301,000	2.0	150,400	2,429,000	2.2	174,100	6,116,000	2.1	411,500
Laterite												
Dulcie				1,020,000	0.7	22,300	100,000	0.7	2,300	1,120,000	0.7	24,600
Total Laterite	-	-	-	1,020,000	0.7	22,300	100,000	0.7	2,300	1,120,000	0.7	24,600
Total	1,386,000	2.0	87,000	3,321,000	1.6	172,700	2,529,000	2.2	176,400	7,236,000	1.9	436,100

Notes to Accompany Mineral Resource Estimate table:

- Numbers may not add due to rounding
- Resource models except for Battler, were constructed within the GS3 software, a proprietary resource modelling software developed by Hellman and Schofield.
- The resource model for Battler was constructed within the Minesight software.
- The Dulcie resource was estimated using Ordinary Kriging within a wireframe of laterite using 20m by 20m by 1m blocks. The resources for all other deposits are estimates of recoverable tonnes and grades using Multiple Indicator Kriging with block support correction into model blocks customised to the average drill hole spacing for each deposit and assuming smallest mining unit for ore selection in mine grade control of 3 metres (across the general strike of mineralisation) by 5 metres (along strike) by 2.5 metres (elevation).
- Gold estimation and model blocks were constrained within either geologically derived or grade based wireframes.
- Resource assaying data sets derived from all available reverse circulation and diamond drill sampling. No RAB drilling or trenching assays have been used in the estimates.
- Geology has been used to constrain mineralisation as appropriate.
- Weathering domains have been used to constrain mineralisation where appropriate.
- Data density varies and is reflected in the resource category which has been applied. All measured resources have a drill-hole density of approximately 12.5m x 12.5m. All indicated resources except Dulcie and Battler have a drill-hole density of approximately 25m x 25m. Dulcie has a drill density of 40m x 40m. Battler has a drill density of 20m x 12.5m. Inferred resources have variable density but always less than 50m x 50m except for Mt King which has variable drill-hole spacing between 25m and 100m.
- Assays are generally fire assay, with limited aqua regia assays in the weathered zone.
- All drill-hole collars are surveyed by GPS. Down hole surveys are limited, except at British Hill, where most drill-holes are surveyed.
- A lower cut-off of 0.5g/t Au has been used except at Dulcie where a lower cut-off of 0.4g/t Au has been used.

JORC Code Compliance Statement

The geological 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 Richard Simmons who is a Member of The Australasian Institute of Mining and Metallurgy. Richard Simmons is a full time employee of Southern Cross Goldfields Limited. Richard Simmons 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'. Richard Simmons consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The resource estimation of the Battler deposit is based on work completed by independent consultant Mr Dean Fredericksen of Fredericksen Geological Solutions based on resource drilling data sets provided by SXG. Mr Fredericksen is a Member of The Australasian Institute of Mining and Metallurgy and qualifies as a Competent Person in respect of the 2004 JORC code by virtue of having sufficient experience which is relevant to the style of mineralisation and deposit types being estimated. Mr Fredericksen has consented to the inclusion of this information in the form and context in which it appears in this report.

The resource estimation of the Dulcie deposit is based on work completed by Mr Jonathon Abbott utilising resource drilling data sets provided by SXG. Mr Abbott is a full time employee of Hellman and Schofield Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. Mr Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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'. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The resource estimation of the King Brown, Golden Orb, British Hill, Python, Dolly Pot, Dugite, Goldstream and Mount King deposits is based on work completed by Mr Nic Johnson utilising resource drilling data sets provided by SXG. Mr Johnson is a full time employee of Hellman and Schofield Pty Ltd and a member of the Australian Institute of Geoscientists. Mr Johnson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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'. Mr Johnson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Forward-Looking Statements

This document contains forward looking statements concerning the projects owned by SXG. Statements concerning resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on SXG's beliefs, opinions and estimates as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.