



Southern Cross Goldfields Ltd

ABN 71 124 374 321

~3,000km² tenement holding in
prolific Southern Cross gold belt in
Western Australia

Production strategy based on
establishment of 400,000tpa
processing facility at Marda

Initial production target of
30,000ozpa over 5 years

Feasibility study due September
2011 Quarter

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Board of Directors

Samantha Tough
Non-Executive Chairman

Glenn Jardine
Managing Director

Graham Brock
Non-Executive Director

John Rowe
Non-Executive Director

Capital Structure

Shares on Issue: 200.4M

Options on Issue: 36.6M

Corporate Shareholders

Mineral Resources: 9.5%

Western Areas: 5.25%

Heron Resources: 3.1%

GOLDEN ORB DRILLING DELIVERS FOR SXG

*Strengthens potential as key open pit and underground feed source for
Marda Gold Project*

Key Points:

- Significant intersections from recent in-fill drilling include:
 - 8m @ 6.7 g/t Au from 10m in hole GORC0045
 - 3m @ 24.0 g/t Au from 13m in hole GORC0040
 - 8m @ 7.6 g/t Au from 44m in hole GORC0046
 - 10m @ 6.1 g/t Au from 67m in hole GORC0016
- 1 km long mineralised system remains open near surface and at depth
- More results awaited on potential strike and depth extensions

Southern Cross Goldfields (ASX Code: SXG) is pleased to report that recent infill RC drilling at the Golden Orb deposit, part of its Marda Gold Project near Southern Cross in WA, is highlighting its potential as an open pit and underground feed source to SXG's proposed 400,000tpa modular gold plant at Marda.

Drilling to date at Golden Orb has focussed on bringing the deposit into JORC Measured and Indicated Mineral Resource classification (previously Inferred – 1.023Mt @ 2.2g/t Au for 71,000oz) so that any resulting Ore Reserve can be incorporated into the Company's gold production strategy.

Golden Orb is one of the Company's largest mineralised systems, with a known strike length of over 1km and with potential extensions to the existing resource both along strike and at depth. Mineralisation outcrops at surface and continues to the current extent of drilling at 150 metres below surface.

Golden Orb is located 15km south west of Marda (*see Figure 1*) and forms part of the Company's gold production and consolidation strategy in the Southern Cross region. The Company is currently conducting a feasibility study into the establishment of a 400,000tpa modular gold plant at Marda to treat ore from its Marda and Southern Cross deposits.

The results achieved recently at Golden Orb and at the Company's adjacent gold deposits continue to demonstrate the untapped potential within SXG's gold portfolio.



Assay results received to date from the current phase of drilling at Golden Orb are shown in long projection in **Figure 2** attached. The results demonstrate that mineralisation outcrops at surface and continues to a depth of at least 150 metres, being the extent of current drilling.

This batch of results for Golden Orb follows initial drilling results announced on 19 May, 2011.

Figure 3 is a cross-section through the deposit at 10,000mE showing the results of infill drill holes GORC045 and GORC044 with historic drilling.

Figure 4 is an updated cross section at 9800mE from the Company's previous announcement of 7 April, 2011 showing the result of drill hole GORC019 and demonstrating the near surface and depth potential of the deposit. The results of additional drilling are expected over the coming weeks.

The potential to extend the resource along strike near surface and at depth is evident in the longitudinal projection presented in **Figure 5**. This shows the location and depth extent of infill drilling at Golden Orb along with the results of the limited amount of historic drilling conducted at Golden West.

Near surface drilling (to 60 metres below surface) over Golden Orb and Golden Orb West has a weighted average width and grade of approximately **4.5 metres @ 4.5 g/t Au** with drilling below 60 metres having a weighted average width and grade of **3.8 metres @ 3.5 g/t Au** and for intersections greater than 3.0 g/t Au cut-off the weighted average width and grade below 60 metres is **2.1m @ 7.1 g/t Au**.

The continuity and grade of the mineralised zone demonstrated in the results of drilling to date is anticipated to have a positive effect on the average grade of the updated resource estimate. The attached Mineral Resource Estimate (**Table 2**) was last updated in October 2010 and will be updated as part of the feasibility study to incorporate all drilling at each of the deposits.

Southern Cross Goldfields Managing Director, Glenn Jardine said that recent drilling demonstrated the potential for Golden Orb to emerge as a short-term open pit feed source to the proposed plant at Marda, and for it to transition to a longer term underground ore source over the medium term.

"We continue to be pleasantly surprised by the results of our drilling programmes at the Company's gold deposits where in many cases we have only really scratched the surface," he said. "Golden Orb is just one example of the significant upside within the Company's gold portfolio that is beginning to be revealed with our current drilling focus."

- ENDS -

For further details, please contact

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Refer to www.scross.com.au



Figure 1 - Location Plan

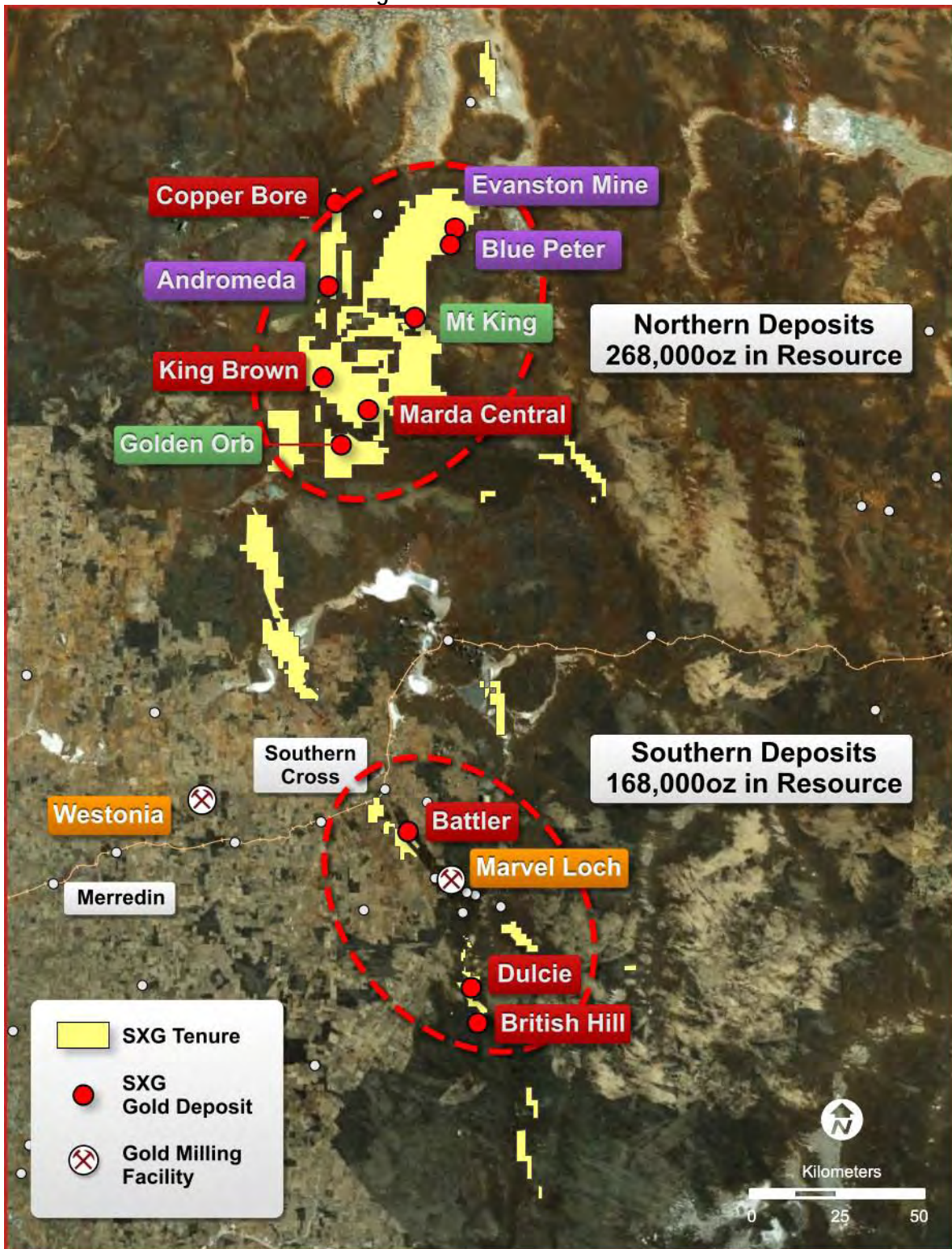


Figure 2 - Golden Orb Long Projection

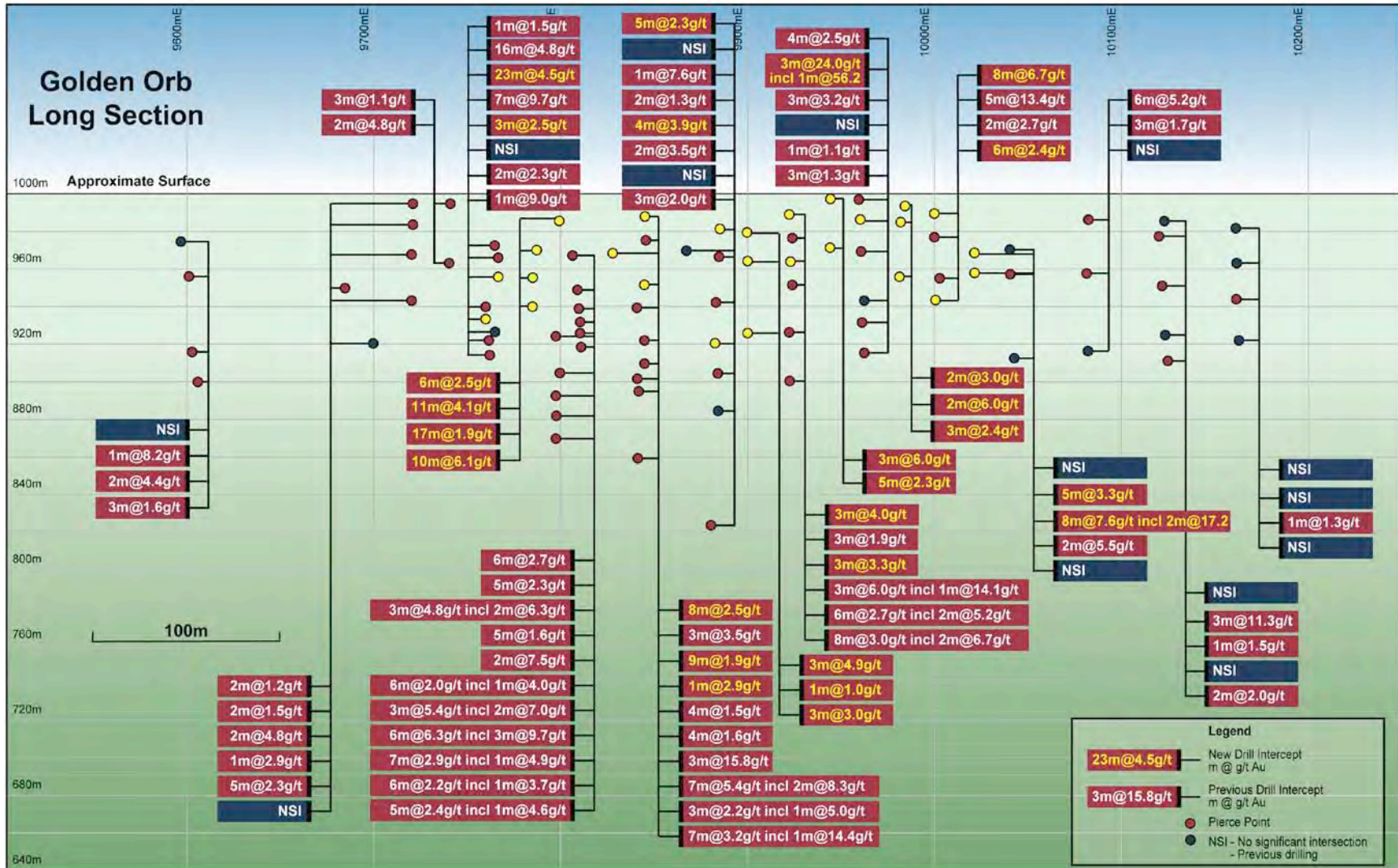




Figure 3 - Golden Orb Cross Section at 10,000E

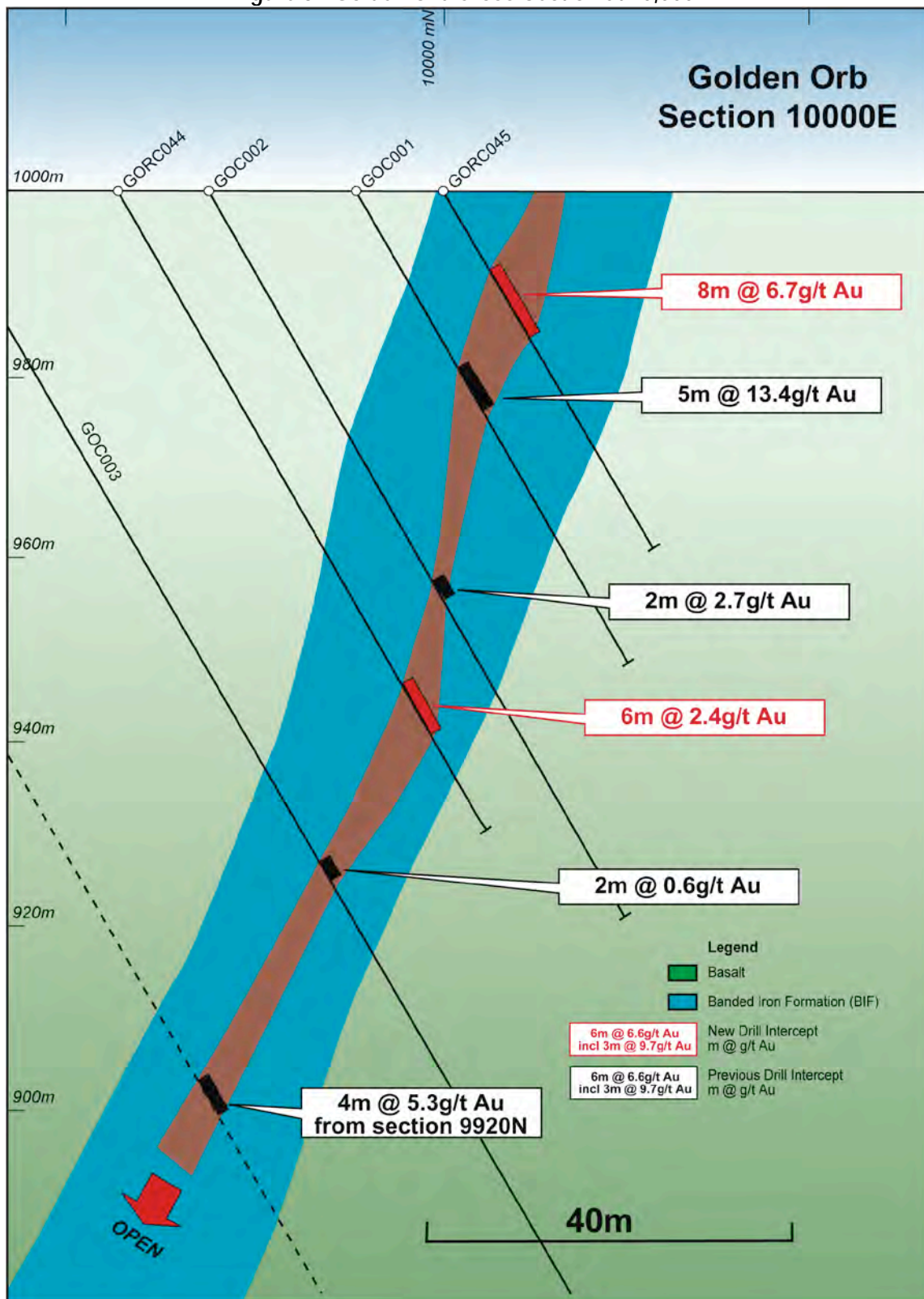




Figure 4 - Golden Orb Cross Section at 9,800E

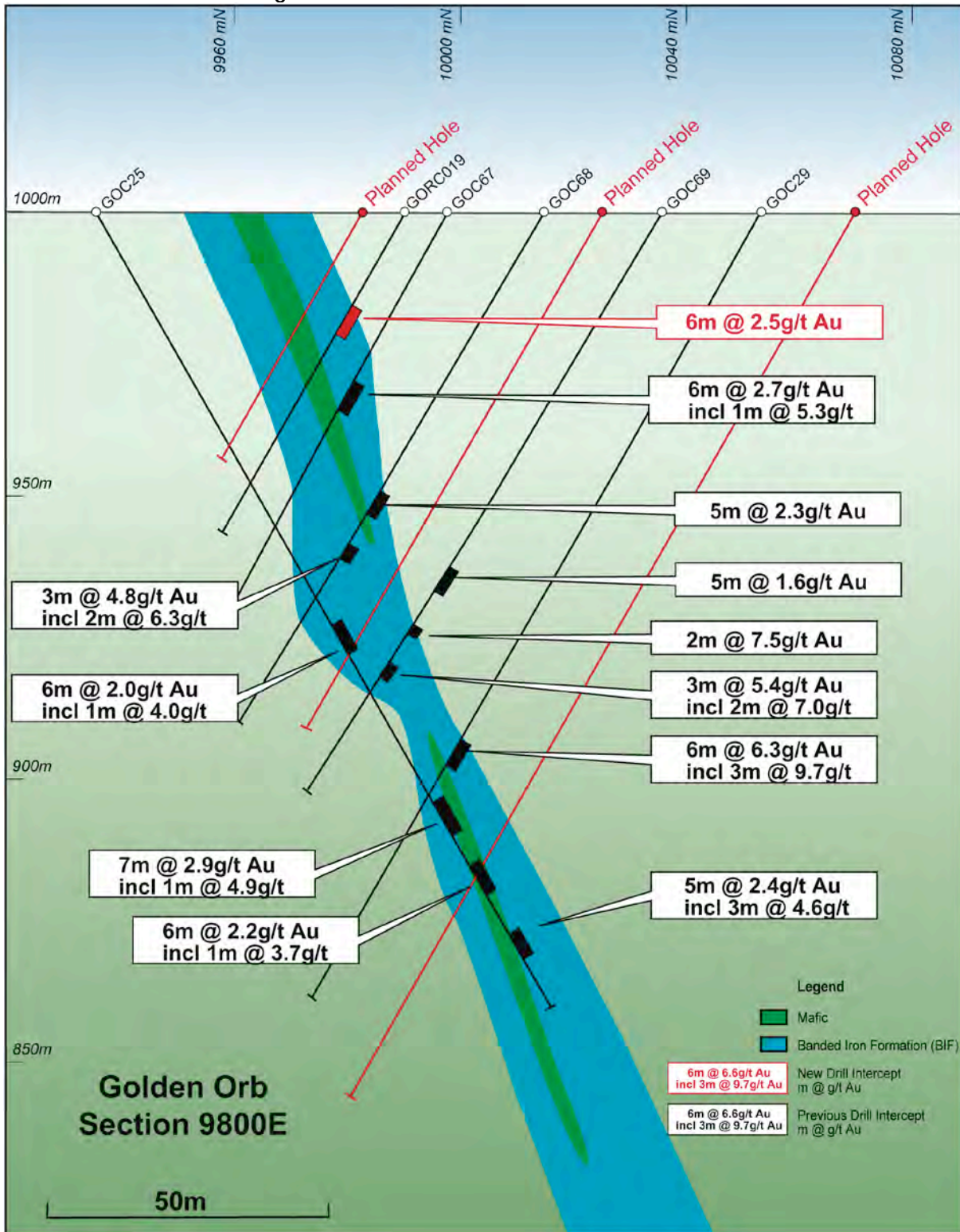


Figure 5 - Golden Orb West Long Projection

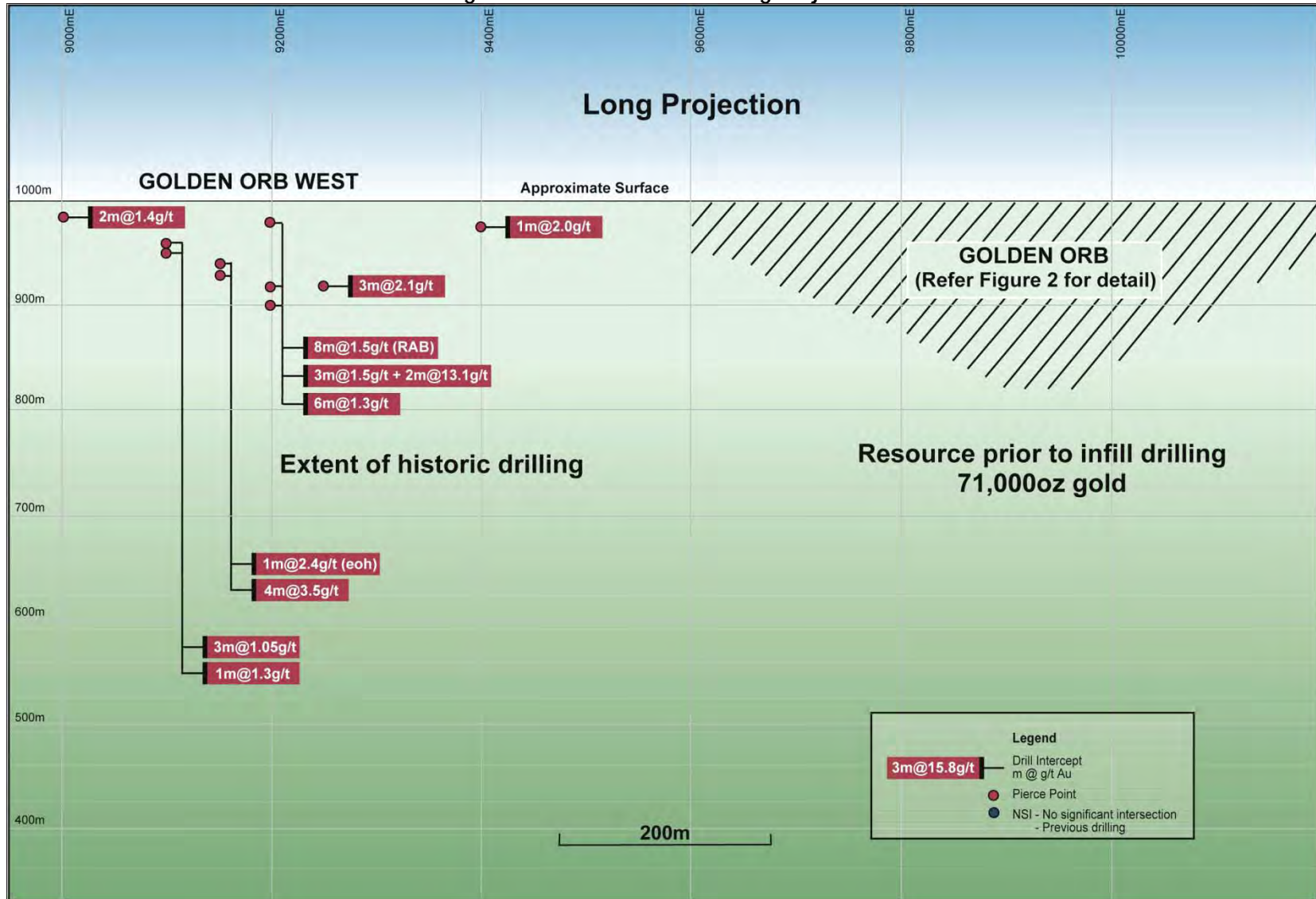




Table 1 - Golden Orb Intersection Results

Hole ID	Depth	MGA East	MGA North	Dip	Azimuth	From M	To M	Interval M	Grade g/t Au
GORC001	45	709531	6647768	-60	35				NSI
GORC002	30	709537	6647776	-60	35	2	4	2	1.3
GORC003	70	709598	6647730	-60	35	29	32	3	3.7
GORC004	60	709602	6647738	-60	35	3	5	2	8.8
incl						4	5	1	15.3
GORC005	45	709607	6647746	-60	35	1	4	3	3.3
and						8	9	1	2.3
GORC006	75	709647	6647722	-60	215	4	5	1	1.0
and						20	21	1	1.2
GORC007	100	709659	6647739	-60	215	39	41	2	1.3
GORC008	60	709655	6647701	-60	215	1	6	5	1.6
and						23	29	6	2.3
GORC009	30	709644	6647686	-60	215				NSI
GORC010	90	709666	6647717	-60	215	50	54	4	1.0
GORC011	120	709687	6647710	-60	215	70	73	3	2.5
GORC012	90	709677	6647697	-60	215	37	60	23	4.5
including						47	57	10	6.4
and						69	70	1	3.7
GORC013	60	709660	6647674	-60	215	50	51	1	2.0
GORC014	70	709678	6647672	-60	215	31	42	11	4.1
including						31	35	4	8.4
including						33	34	1	30.0
GORC015	85	709689	6647685	-60	215	45	62	17	1.9
including						57	58	1	7.3
GORC016	100	709698	6647696	-60	215	67	77	10	6.1
including						69	72	3	13.2
GORC018	50	709684	6647639	-60	215				NSI
GORC019	65	709694	6647652	-60	215	16	22	6	2.5
GORC020	45	709715	6647678	-60	215				NSI
GORC021	50	709703	6647634	-60	215				NSI
GORC022	80	709714	6647649	-60	215	22	24	2	3.4
and						30	39	9	1.9
GORC024	70	709704	6647601	-60	35	56	57	1	2.9
GORC025	40	709716	6647617	-60	35	12	20	8	2.5
GORC026	30	709724	6647628	-60	35				NSI
GORC027	70	709728	6647592	-60	35				NSI



Table 1 - Golden Orb Intersection Results (continued)

Hole ID	Depth	MGA East	MGA North	Dip	Azimuth	From M	To M	Interval M	Grade g/t Au
GORC029 and including	117	709721	6647556	-60	35	51	52	1	2.6
						92	97	5	2.3
						93	94	1	5.1
GORC030 including	65	709740	6647586	-60	35	25	29	4	3.9
						26	27	1	8.1
GORC031 including	84	709748	6647554	-60	35	62	65	3	3.0
						63	64	1	5.2
GORC032	66	709755	6647569	-60	35	42	43	1	1.0
GORC033 including	50	709761	6647582	-60	25	21	24	3	4.9
						22	23	1	11.6
GORC034	40	709768	6647595	-60	35				NSI
GORC036	65	709777	6647564	-60	35	39	42	3	3.3
GORC037	40	709788	6647581	-60	35	12	15	3	4.0
GORC038	72	709799	6647561	-60	35	30	35	5	2.3
GORC039	40	709811	6647581	-60	35	1	4	3	6.0
GORC040 and including	50	709825	6647565	-60	35	1	4	3	2.1
						13	16	3	24.0
						14	15	1	56.2
GORC041	72	709830	6647535	-60	35	48	51	3	2.4
GORC042	55	709841	6647552	-60	35	14	16	2	6.0
GORC043						2	4	2	3.0
GORC044	78	709845	6647519	-60	35	62	68	6	2.4
GORC045 including and	45	709866	6647548	-60	35	10	18	8	6.7
						10	11	1	23.2
						15	17	2	11.1
GORC046 including	72	709868	6647522	-60	35	44	52	8	7.6
						49	52	3	17.2
GORC047 including	54	709875	6647534	-60	35	29	34	5	3.3
						31	32	1	8.6

Notes to accompany Intersection Results Table:

- Collar co-ordinates in MGA94, Zone 50; local north rotated 35° anti-clockwise from true north.
- Collar survey accuracy is within 1m.
- 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.

TABLE 2 - 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
- The resource table was last updated on 18 October 2010. Results of drilling announced since that date have not been included in the above table which will be updated when the data has been compiled.
- 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 1.0 g/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.

Disclaimer

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Forward-Looking Statements

This document contains forward looking statements concerning the projects owned by SXG. Statements concerning mining reserves and 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.