



## SOUTHERN CROSS GOLDFIELDS LTD

**Southern Cross Goldfields Ltd**  
ABN 71 124 374 321

*Dominant 4,000km<sup>2</sup> tenement and mineral rights holding in prolific Marda & Southern Cross regions of Western Australia.*

*Marda Gold Project Feasibility Study interim results announced pointing to robust gold production base case with significant upside.*

*Resource updates announced in November following extensive drilling in 2011.*

*Gold production strategy based on the establishment of a central gold processing plant at Marda Central.*

*Outstanding gold and base metal exploration potential in underexplored Marda district*

### 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: 215.1M

Options on Issue: 36.6M

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## SXG ANNOUNCES \$5.6M RENOUNCEABLE RIGHTS ISSUE TO ADVANCE GOLD PRODUCTION PLANS AND ACCELERATE COPPER BORE EXPLORATION

### STEP-OUT DRILLING & GEOPHYSICS GATHER MOMENTUM AT COPPER BORE

#### Highlights

- ❖ **2-for-5 rights issue at 6.5c to raise \$5.6m before issue costs.**
- ❖ **Funds to be used to complete the Feasibility Study on the Marda Gold Project, project development funding activities and target priority gold exploration opportunities.**
- ❖ **Funds will also underpin an accelerated exploration program at the Copper Bore VMS copper-gold project.**
- ❖ **Step-out drilling set to resume at the Southern Gossan prospect together with down-hole and surface EM surveys.**

Southern Cross Goldfields Limited ("Company" or "SXG") is pleased to announce a renounceable rights issue to raise approximately \$5.6 million (before issue costs) to underpin its dual focus on advancing gold production studies and exploration and accelerating exploration at its exciting new Copper Bore VMS gold discovery.

Both the Marda Gold Project and Copper Bore VMS Copper-Gold Project are located within SXG's extensive tenement holding in the Marda region 150 kilometres north of Southern Cross in WA, approximately 450km east of Perth. The location of the Company's projects is shown in Figure 1.

Upcoming activities at both of these projects, including a significant new VMS-style discovery at Copper Bore, provide SXG with a unique opportunity to build shareholder value over the next year.

The rights issue will be offered on the basis of two new shares for every five shares held, at an application price of 6.5 cents per share. The Company will apply for quotation of the new shares on ASX. Patersons Securities Limited has been appointed as Lead Manager for this issue. Company Directors and the Company's major shareholder intend to take up their entitlements under the rights issue.

The proceeds from the rights issue will be used to:

- complete documentation for the Marda Gold Project Feasibility Study, for which interim results were announced last week;
- undertake project funding activities for the purpose of securing financing for the development of the Marda Gold Project;
- progress exploration on the Marda region's underexplored areas, targeting opportunities to increase the Company's resource inventory and increase the base case production scenario;
- accelerate exploration at the emerging Copper Bore VMS Project; and
- support working capital requirements and business development activities.



The interim results of the Marda Gold Feasibility Study, announced to the ASX on 8 November 2011, defined a robust initial base case gold operation based on the establishment of a 400,000tpa standalone gold processing facility at Marda, treating ore from multiple open pit ore sources. The interim results pave the way for completion of the Feasibility Study and related documentation in Q1 2012 and lay the foundation for SXG's transition to gold production in 2013.

SXG believes there is significant potential for further new discoveries and resource extensions within the Company's tenements, which can be unlocked through a re-energised and focused exploration campaign generated by the establishment of a centrally located treatment facility. The funds from this rights issue will enable the Company to commence this regional exploration program.

On 9 November 2011 the Company advised that the latest step-out diamond drill hole at the emerging Southern Gossan Prospect, part of the Company's 100%-owned Copper Bore Project, had extended further the recently discovered zone of volcanogenic massive sulphide (VMS) mineralisation. Assay results from this new intersection are expected within the next week.

The Company has short and medium term plans to continue the definition of the mineralisation at Southern Gossan and explore for further mineralisation along the 10km plus Copper Bore Project structure. Immediate work will include downhole geophysics on the latest drill hole and surface geophysical surveys over the top of two bullseye aeromagnetic anomalies identified at the Kim's Bore and Copper Bore prospects. Planning for the next step out drilling at Southern Gossan is underway.

SXG's Managing Director, Mr Glenn Jardine, said the Company had decided to raise capital through a rights issue to provide the opportunity for all shareholders to participate, following the recent \$1 million strategic share placement undertaken to sophisticated investors.

"We believe that SXG has some very exciting exploration, development and growth opportunities ahead of it and this capital raising will enable us to set the Company up with the right people, the right resources and the right strategy heading into 2012 – with a dual focus on near-term gold production and VMS copper-gold exploration," Mr Jardine said.

"The offer price has been set at a very attractive level relative to the closing price of SXG shares on Friday and the 1-month VWAP of SXG shares. I would like to take this opportunity to encourage all shareholders to participate in what we believe will be a seminal capital raising for the Company's future."

The Prospectus relating to this Rights Issue is expected to be lodged with ASIC and ASX shortly and will be available after lodgement on the ASX website and also on the Company's website [www.scross.com.au](http://www.scross.com.au).

Should you have any questions in relation to the above matters, please contact the undersigned on telephone (08) 9215 7600.

**- ENDS -**

**For further details, please contact**

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Refer to [www.scross.com.au](http://www.scross.com.au)

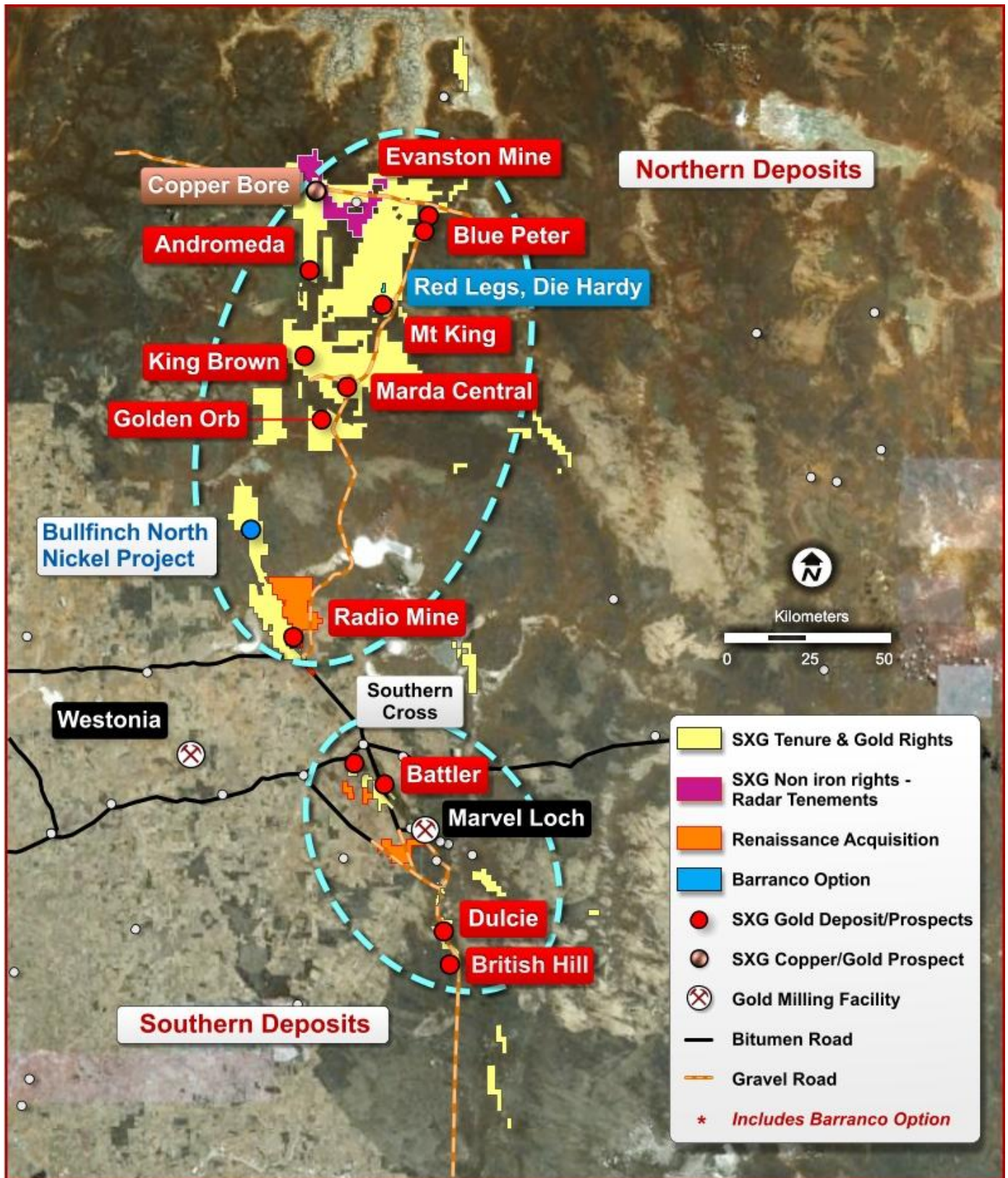
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FIGURE 1 SXG PROJECT LOCATION PLAN





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You are cautioned not to place undue reliance on forward looking statements as actual outcomes may differ materially from forward looking statements

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