

15 DECEMBER 2011



SOUTHERN CROSS GOLDFIELDS LTD

Southern Cross Goldfields Ltd

ABN 71 124 374 321

Dominant 4,000km² 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 *(Pre Rights Issue)*

Shares on Issue: 215.1M

Options on Issue: 36.6M

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SXG RAISES \$3.3M THROUGH RIGHTS ISSUE WITH STRONG TAKE-UP BY SHAREHOLDERS

Highlights

- ❖ **2-for-5 rights issue closes raising \$3.3M with a strong 60 per cent take-up by existing shareholders.**
- ❖ **Funds to be used to complete the Feasibility Study on the Marda Gold Project and to accelerate exploration at the Copper Bore VMS copper-gold project.**
- ❖ **Step-out drilling is currently underway at Copper Bore together with a project-wide surface EM survey.**

Southern Cross Goldfields Limited ("Company" or "SXG") is pleased to advise that the 2-for-5 renounceable rights issue has closed raising \$3.3 million with a very strong take-up of 60 per cent by existing shareholders.

The Company received strong support from its major corporate shareholders including Mineral Resources Limited, Western Areas Limited and Heron Resources Limited, with strong levels of take-up also seen by existing retail shareholders.

This is an exceptional result considering the current volatility in global equity markets and reflects the quality of the Company's WA projects and strong news flow expected in the coming months, with drilling currently underway at the Copper Bore VMS Project and feasibility and development activities continuing at the Marda Gold Project.

Under the terms of the rights issue Prospectus, the Company retains the right to place any shortfall within three months from the closing date of the rights issue. The Company will consider placement of the shortfall in conjunction with Patersons Securities Limited, Lead Manager to the issue.

SXG's Managing Director, Mr Glenn Jardine, said the Company was delighted with the outcome of the rights issue and the support provided by existing corporate and retail shareholders.

"This is a positive outcome which ensures that the Company is funded moving into the New Year, with the capacity to accelerate exploration activities at Copper Bore and to continue to progress feasibility study activities at the Marda gold project," he said.



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 month;
- 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.

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 400km east of Perth. The location of the Company's projects is shown in Figure 1.

Should you have any questions in relation to the above matters, please contact the undersigned.

- ENDS -

For further details, please contact

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Refer to www.scross.com.au

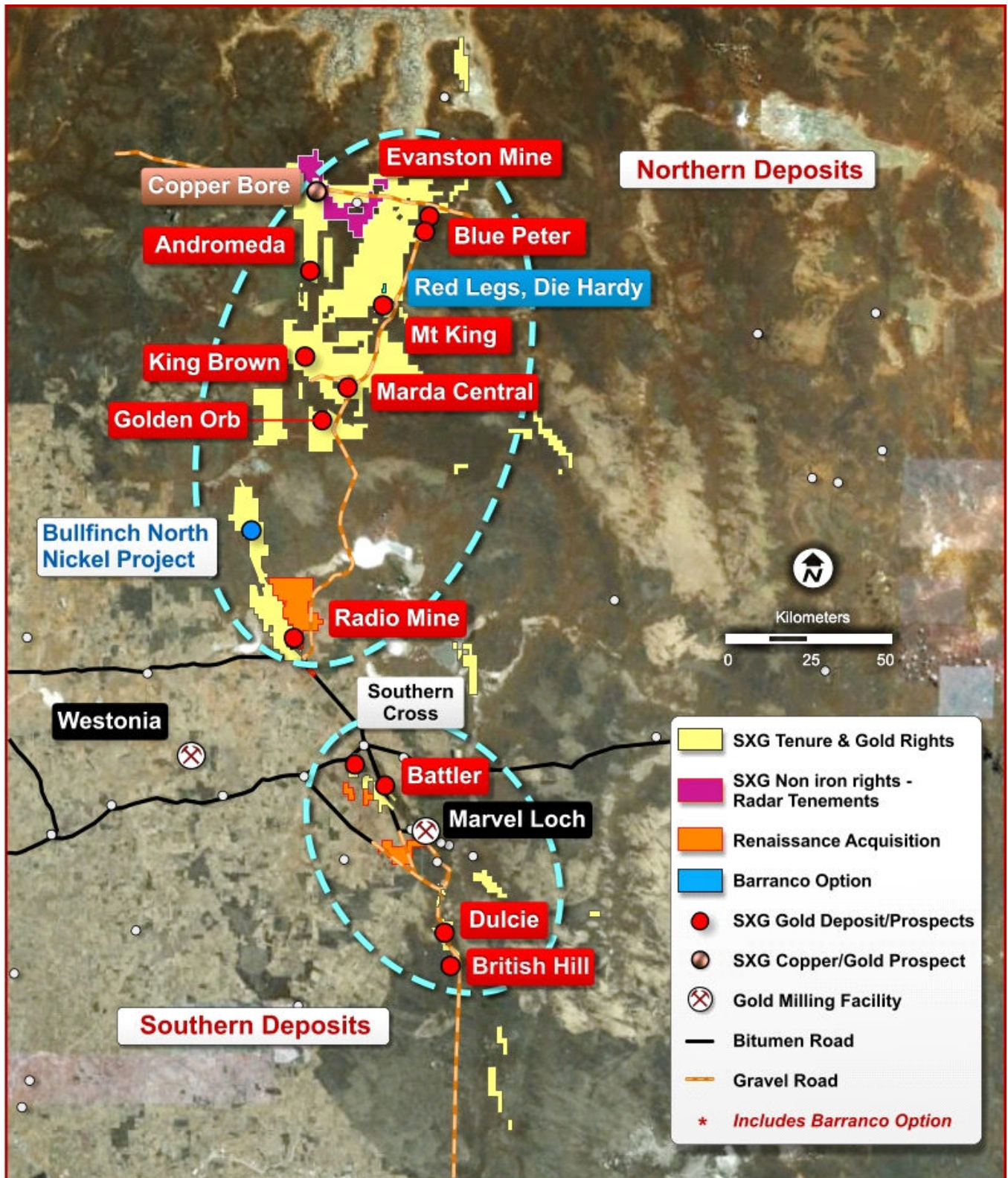
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FIGURE 1 SXG PROJECT LOCATION PLAN





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