



Explorer flogs shares to bankroll its quest for gold



Name: Southern Cross Goldfields Ltd
Recommendation: None
Proposed ASX code: SXG
Capital to be raised: \$10 million
Shares on offer: 50 million
Listing Price: 20c per share
Proposed listing date: March 20

SOUTHERN Cross Goldfields Ltd (SXG) is a miner based in Western Australia with prospective gold and nickel assets in the Yilgarn region.

SXG was formed through the demerger of Polaris Metals' gold and nickel assets as well as acquiring additional gold and nickel assets in the Yilgarn. SXG plans to offer up to 50 million shares at 20c each, to raise up to \$10 million. Western Areas NL, recognising the potential of SXG, has requested a cornerstone position in the IPO, agreeing to subscribe for 5 million shares. It has also secured rights to all minerals aside from iron ore within a number of tenements, covering 3400km.

Wise-owl.com analyst Imran Valibhoy says: "Southern Cross Goldfields Ltd has a long pipeline of targets for both gold and nickel and an identified exploration program for 2008 and 2009 with drill-ready targets.

"Previous exploration has identified approximately 106,000 ounces of gold in JORC-compliant resources.

"SXG initially intends to concentrate its search on these areas with the aim of identifying large mineralisation systems rather than concentrating on small deposits. The main areas of interest are the Marda Gold Project, Bullfinch North Nickel Project, Parker Range Gold Project and Perrinvale Gold Project."

At the Marda Gold Project, two significant

prospects have been identified, Red Boomerang and Deception Hill. Red Boomerang is the most advanced, with promising drill intercepts recorded and further drilling planned. At the Bullfinch Nickel Project, recent exploration has concentrated on the Trough Well deposit. The Copperhead Gold Mine, with more than a million ounces, is located immediately south of the project area.

At the Parker Range Gold Project, previous work has identified two gold deposits and SXG will look to firm-up these deposits and examine the possibility of treating them at Marvel Loch.

The Perrinvale Gold Project is at a much earlier stage of exploration. However, initial results have been promising, with the identification of large areas of gold in soil anomalies.

"The next 12 months will be an important time for SXG with ongoing drill testing, detailed geological mapping of the area and interpretation of data that will look to identify potential targets," Valibhoy says.

