



Cover Story



Southern Cross Goldfields Make New Limits With the Option to Purchase a Phosphate Project.

Southern Cross Goldfields (SXG) Limited is a gold and nickel explorer based in Western Australia that owns the rights to all minerals, except iron-ore, on over 3500km² of tenements within the Central Yilgarn Nickel Province of Western Australia. Currently it is awaiting assay results from four gold exploration projects and one nickel exploration project, each potentially contributing to the growing success of the company.

Expanding the company's portfolio of quality projects and strengthening its position in Western Australia, SXG has the option to purchase 100 percent equity in a phosphate project in the Edgar Range region.

SXG's primary focus is the implementation of its intensive exploration program for 2008 and 2009 targeting gold and nickel, with the aim of identifying high profit margin ore-bodies that can be brought into profitable production with minimum risk.

However, Mr. Tony Truelove, SXG's Managing Director gladly found the time to explain to the Australian Investor how the phosphate project would potentially aid the company's future growth and development.

Mr. Truelove told the Australian Investor, "We are very excited with the new commodity initiative as it adds to our existing key fundamentals and expands our portfolio of 3,500km² of tenements to over 6000km²."

The phosphate project is strategically positioned in the Edgar Range region, approximately 150 kilometres south-west of Broome, Western Australia - a strong geological province for potential phosphate resources.

"There are very few phosphate provinces in Australia," Mr. Truelove commented, "We believe that the location of our opted project and its close proximity to infrastructure puts it in a strong position for future development."

The exploration licence application (ELA) for the project covers an area of about 650 square kilometres and largely overlies outcrop of the Jurassic-Cretaceous Jarlemai Siltstone. The Geological Survey of Western Australia explanatory notes reported the area to be "phosphatic in part."

Furthermore, the widespread phosphatic nature of the geological unit has been confirmed by three other exploration projects in the region, enabling the company to have strong hopes for its future outlook.

At Heron Resources' Langey Phosphate project, which is located only 100 kilometres north of SXG's project and within the Jarlemai Siltstone, it announced an average of 22.5% P205 from seven grab samples of nodular phosphate.

Petroleum exploration wells Barlee 1 and Thangoo 1, which are 75 and 20 kilometres north-west of SXG's project, intersected 122 metres @ greater than 1% P205 including 10m @ 5.1% P205 at 158 metres and 15.2m @ 4.3% P205 at 137.2 metres.

"Whilst these phosphate grades are low, our project has never really been explored and we have secured over 140 kilometres of outcropping Jarlemai Siltstone, so we believe our results will be positive. In fact, the stage of exploration in this major phosphate province is similar to that in the Georgina Basin just prior to the discovery of the Duchess phosphate project, with low grade phosphate known at depth in old petroleum wells but no exploration conducted within the outcropping part of the phosphatic formation," Mr Truelove commented.

The phosphate project will be purchased from Geotech International Pty Limited (GIPL) via an initial payment of \$30,000 to reimburse pegging costs and a purchase price of 1 million SXG shares to exercise the option at any time within the three months of signing. GIPL will retain a 1.5 percent net production royalty on all minerals.

In addition to this project, SXG has applied for three Exploration Licences at the Backdoor Hills Phosphate Project in the Bangemall Basin. At this project Proterozoic age stromatolite beds are known, with associated phosphorus and vanadium stream sediment anomalies.

The company has reported that these projects are likely to be some months away from grant and funding options are currently being reviewed to accommodate these non-prospectus exploration programmes.

Mr Truelove concluded, "Our plans for the near future include progressing our phosphate initiative, while concurrently developing our main initiative - the ongoing core exploration for gold and nickel in the Southern Cross district. Additionally, we will shortly be initiating some ground electromagnetic surveys for other nickel exploration projects that we hope to have up and running this year."

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