



Southern Cross Exploration N.L.

ACN : 000 716 012

Level 29, 2 Chifley Square, Sydney
Phone : +61 2 9375 2337

email : sxx@sxxgroup.com
[www: sxxgroup.com](http://www.sxxgroup.com)

QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2016 (ASX code - SXX)

Southern Cross Exploration N.L. ("the Company" or "Southern Cross" or "SXX") is pleased to present its Activities Report for the Quarter ended 31 December 2016.

MINING EXPLORATION AREAS

URANIUM - BIGRLYI URANIUM JOINT VENTURE (5%) - NORTHERN TERRITORY, AUSTRALIA

The Company's 5% interest in the Bigrlyi Uranium Joint Venture is classified in its accounts as "Investment in Joint Venture". The Project comprises 10 granted exploration retention licences (ELRs 46-55) granted over 30 years ago and several applications within the Ngalia Basin, located approximately 350km northwest of Alice Springs. The Bigrlyi Project is characterised by relatively high uranium grades and excellent metallurgical recoveries. Historical base case acid leach tests recorded extraction rates of 98% uranium.

Energy Metals Limited (EME) holds 53.3% and is the Operator.

Southern Cross acquired its initial interest in 1981 in a purchase from the Commonwealth Atomic Energy Commission. A joint venture with a number of uranium pioneering entities resulted, in which Central Pacific Minerals, Urangesellschaft, AGIP Nucleare, Offshore Oil NL, and the Yuendumu Mining Company N L et al were participants at various times.

During the quarter Paladin disposed of its 41.7% interest in the Bigrlyi JV. In light of this transaction SXX is reviewing the carrying value of its interest in the JV with a view to making a 100% provision for loss

GOLD - PHILIPPINES

BATANGAS PROJECT (10%) (Tenement applications - EPA IVA-115 and PMPA IV-110)

The Batangas Gold Project is located in the Province of Batangas, about 2 hours from Manila. The project consists of an EP Application and an MPSA, which are yet to be granted. After exercising options, a 10% interest was acquired by the Company's wholly-owned subsidiary Northern Star Investments (Qld) Pty Ltd.

Given the current political climate in the Philippines and the fact that the JV partners have not been able to advance the application, the company is considering abandoning its interest in the application.



Southern Cross Exploration N.L.

ACN : 000 716 012

GOLD CROSS PROJECT (20%)

(Tenement applications - MA-P-III-02-04, MA-P-III-05-04, MA-P-III-06-04, MA-P-III-07-04)

Southern Cross holds a 20% interest in the Gold Cross Gold Project in the Philippines. The project area is located in the Province of Bulacan about 100 kms north-east of Manila. No activity reports on this project were received during the quarter.

Given the current political climate in the Philippines and the fact that the JV partners have not been able to advance the applications, the company is considering abandoning its interest in the application.

MAGNESITE - IRAN

The company maintains its 10% interest in a private group based in Dubai and Teheran which holds several exploration tenements for magnesite in Iran.

No advice on the status of this interest was received during the quarter and the company is unable to verify the current status of the tenements.

OIL & GAS & ENERGY

Oil and gas investment and exploration opportunities in Australia and overseas have been examined, with a view to direct participation by SXX.

WAILOALOA DEVELOPMENTS LIMITED – 49%

The Company holds a minority interest (49%) in a Fijian Company (Wailoaloa Developments Limited – 'WDL'). WDL owns 40 acres of freehold land in Nadi Fiji.

Civil works are well advanced after receiving all necessary approvals. The subdivision will yield 111 lots.

GENERAL

Examination regarding possible participation in a number of new projects and maintaining and reviewing the Company's existing projects were the principal activities during the quarter.

On 13 December, 2016 SXX increased its investment in DTR by a further \$1,400,000. SXX is committed to its investment in Dateline Resources Limited (ASX: DTR), in which it presently holds a 43.56% stake, and believes there is considerable value to be unlocked from DTR's future development of the Gold Links project in Colorado along with its Udu project in Fiji and the Augustus tenements in Western Australia.

Similar investments are under consideration.

SXX will update shareholders on its investment activities as and when appropriate.

For and on behalf of Southern Cross Exploration N.L.

John Smith
Company Secretary