



Marda Gold Project: mining approval received

Southern Cross Goldfields Ltd (ASX: SXG) has received approval from the Western Australian Department of Mines & Petroleum (DMP) to proceed with development of its proposed Marda Gold Project.

The Project, based on a 495,000 ounce gold Resource at 1.9 g/t and a 175,000 ounce Reserve at 2.3 g/t, is approximately 400 km north-east of Perth.

The Project's feasibility study involves open cut mining to produce around 167,000 gold ounces over 4 years.

The first development will be Marda Central which comprises the gold processing plant, tailings facility, accommodation camp and six pits. Mining of these pits will provide feed to the processing plant for the first 2.5 years of project life. This equates to 67 per cent of current Reserves of the overall Project.

A mining proposal to support development of further pits shall be submitted to the DMP in due course.

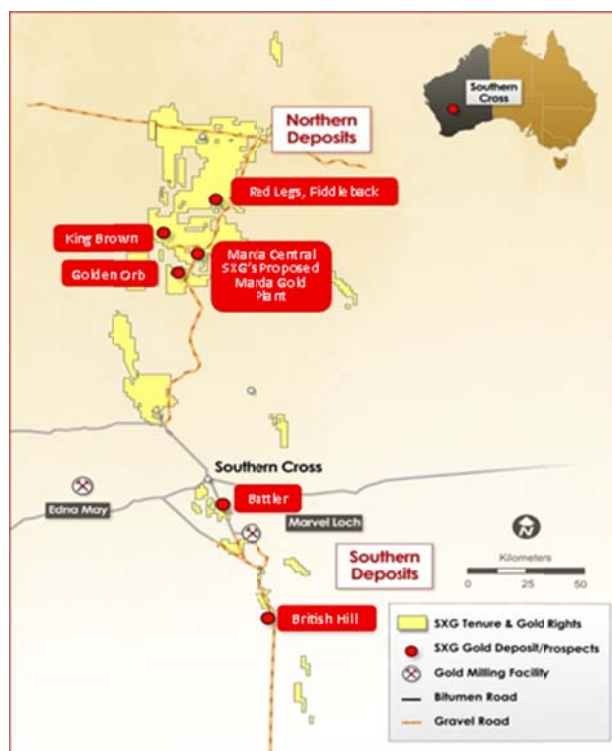


Figure 1 – Marda Gold Project deposits

"This approval is an important milestone for the Company which allows us to complete our project development pipeline with a series of attractive projects expected to generate significant returns for shareholders," said Southern Cross Managing Director, David Sproule.

"Our first priority is to bring the recently acquired Manuka Silver Mine in central NSW into production in the next few months. We are working hard on recommencing mining at the Mt Boppy Gold Project near Manuka early next year. The logical sequence is to then proceed straight to development of Marda," he said.



For further details, please visit www.scross.com.au or contact:

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Production Targets and Forecast Financial Information

The information in this announcement that relates to production targets and forecast financial information is extracted from previous market announcements as listed below.

Announcement - “Marda Gold Project - Feasibility Study Review” released on 10 December 2013 and “Marda Gold Project Feasibility – Additional Information” released on 20 December 2013; both are available to view on www.scross.com.au and www.asx.com.au.

The Company confirms that all material assumptions underpinning the production targets, and forecast financial information derived from the production targets, in the relevant market announcements shown above continue to apply and have not materially changed.

Resource and Reserve Statements

The information in this announcement that relates to Mineral Resources and Ore Reserves is extracted from previous market announcements as listed below.

Announcement - “SXG set to open up new WA gold province with Marda Gold Development” released on 10 May 2012; available to view on www.scross.com.au and www.asx.com.au.

Competent Person (Mineral Resources) – Richard Simmons

Competent Person (Ore Reserves) – Denis Grubic

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.