

ASX Release

30 October 2014

**Southern Crown
Resources Limited**

ABN: 52 143 416 531

Level 1, Suite 2
415 Riversdale Road
HAWTHORN EAST VIC 3123
T: (+61) 3 9813 3882
F: (+61) 3 9813 4882
www.southerncrown.com.au

Contact:

Rhod Grivas
Executive Chairman
T: +61 419 919 321
rhod.grivas@southerncrown.com.au

Directors / Officers:

Rhod Grivas
Mark Papendieck
Adrian Hill

Issued Shares and Options:

Shares: 43 million
Unlisted options: 1.5 million

ASX Code: **SWR**

SEPTEMBER 2014 QUARTERLY ACTIVITIES REPORT

During the quarter ended 30 September 2014, Southern Crown Resources Limited ("**Southern Crown**" or "**the Company**") signed an option agreement to explore a package of projects located in the highly prospective Tintina gold belt of Alaska, USA. In addition the company commenced an exploration program on the Luna-Quicksilver project, which formed part of the option agreement package of tenure.

The option agreement includes 3 projects (Luna-Quicksilver, Kisa and Chilly), totaling 138km² located 500km west of Anchorage in the South West Tintina gold belt of Alaska. The Tintina Gold belt is home to a number of world class intrusion related gold ("IRG") systems including Donlin Creek (45Moz @ 2.21g/t), Pogo (5Moz @ 12.45g/t), Fort Knox (produced over 5Moz), Livengood (20Moz @ 0.55g/t) and Shotgun (0.7Moz @ 1.02g/t).

TINTINA GOLD BELT INTRUSION RELATED GOLD (IRG) SYSTEMS

Luna-Quicksilver and the other optioned projects share many of the characteristics of Donlin Creek and other local IRG system deposits located in the Tintina gold belt. Some IRG system ore bodies are associated with placer deposits proximal to young intrusions emplaced in sediments. Luna-Quicksilver is located within 10 kilometres of two historical placers, one on a drainage system draining west, the other draining north. Luna-Quicksilver is also associated with a pluton and associated felsic dykes and sills that have hornfelsed and altered surrounding sediments.

Structural setting is important for the development of IRG system deposits. Luna-Quicksilver and the other optioned projects are located along a NE structural corridor with apparent strike slip movement and evidence of additional cross-cutting complexity. In addition, IRG system mineralization is poly-metallic and varied depending on proximity to the intrusion. The Luna-Quicksilver veins are located in quartz-carbonate stockworks with anomalous gold, silver, antimony, bismuth, arsenic, molybdenum, tellurium and tin with Luna East also highly anomalous in copper.

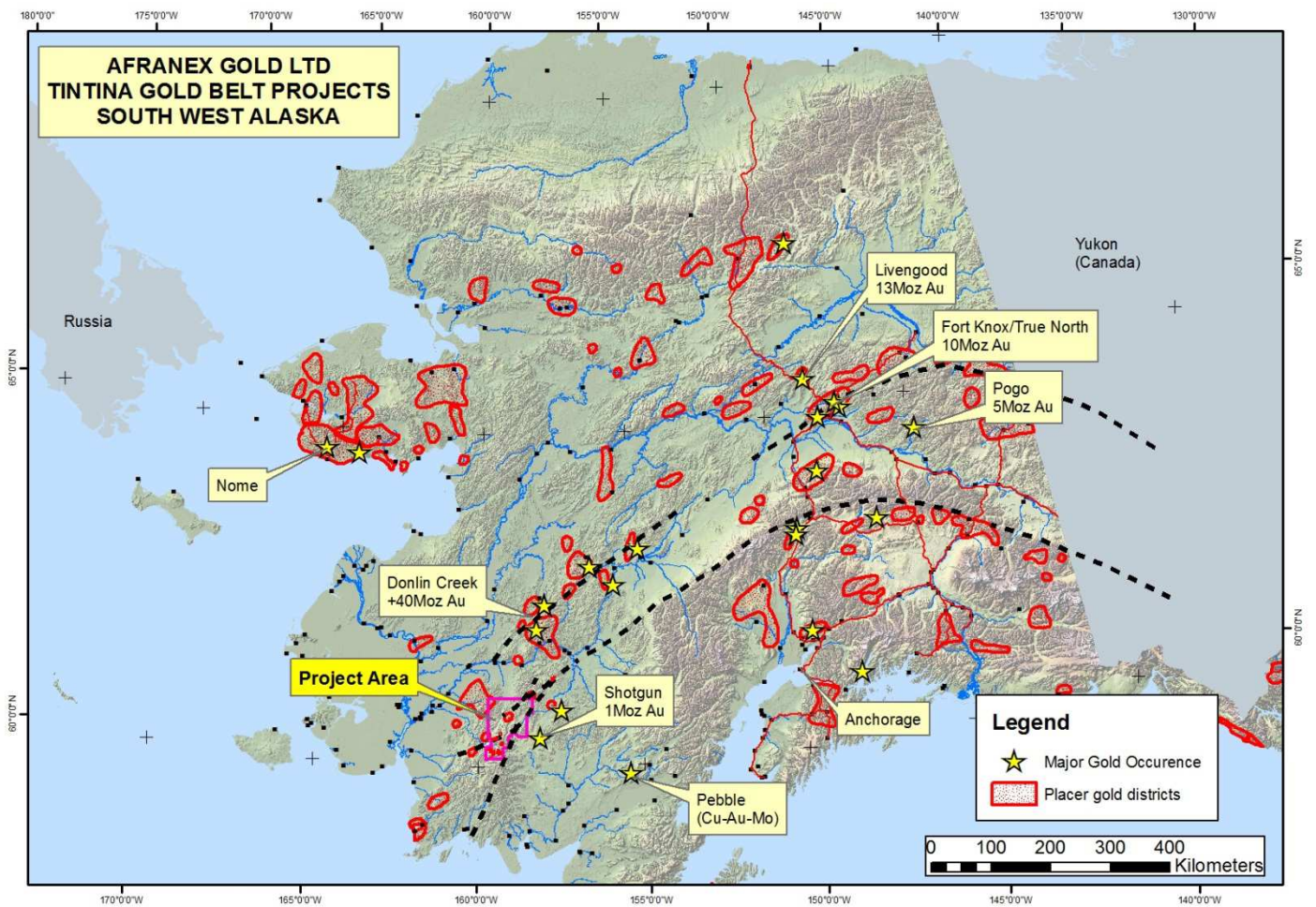


Figure 1: Tintina gold belt showing project area in SW Alaska, 200km from Donlin Creek deposit

OPTION TERMS

Southern Crown has signed the option with Afranex Gold Ltd ("Afranex"), an unlisted Australian company to acquire the companies that hold the rights to 100% of the three projects with an expiry date 4 months after the completion of 1,200m of core drilling or 31 December 2015 whichever occurs first. Full details of the option terms are provided in the ASX release dated 20 August 2014.

Afranex was founded by Allan Kelly (Managing Director and co-founder of ASX-listed Doray Minerals Ltd) who spent time in North America working for Western Mining Corporation in the late 1990's. Allan has agreed to assist the Company as technical advisor to provide an on-going exploration knowledge base.

On exercising the Option, Southern Crown is required to issue 30 million ordinary shares, with the major vendor shareholder group subject to a voluntary 12 month escrow period. The Company has agreed to pay up to \$100,000 to Afranex to cover exploration and corporate costs.

Afranex has an option agreement with Goldcrest Mines Inc (“Goldcrest”) and Kisa Gold Mines Inc (“Kisa Inc”) over the Luna, Kisa and Chilly Projects as well as purchase agreements over the Quicksilver Project with Black Peak LLC, a subsidiary of ASX listed Renaissance Minerals Ltd (ASX:RNS) and North Quicksilver Project with North Fork LLC, a subsidiary of North Fork Pty Ltd. Afranex also has an option to acquire Kisa Inc’s interest in the Luna, Kisa and Chilly projects by paying US\$300,000 before 31 December 2015.

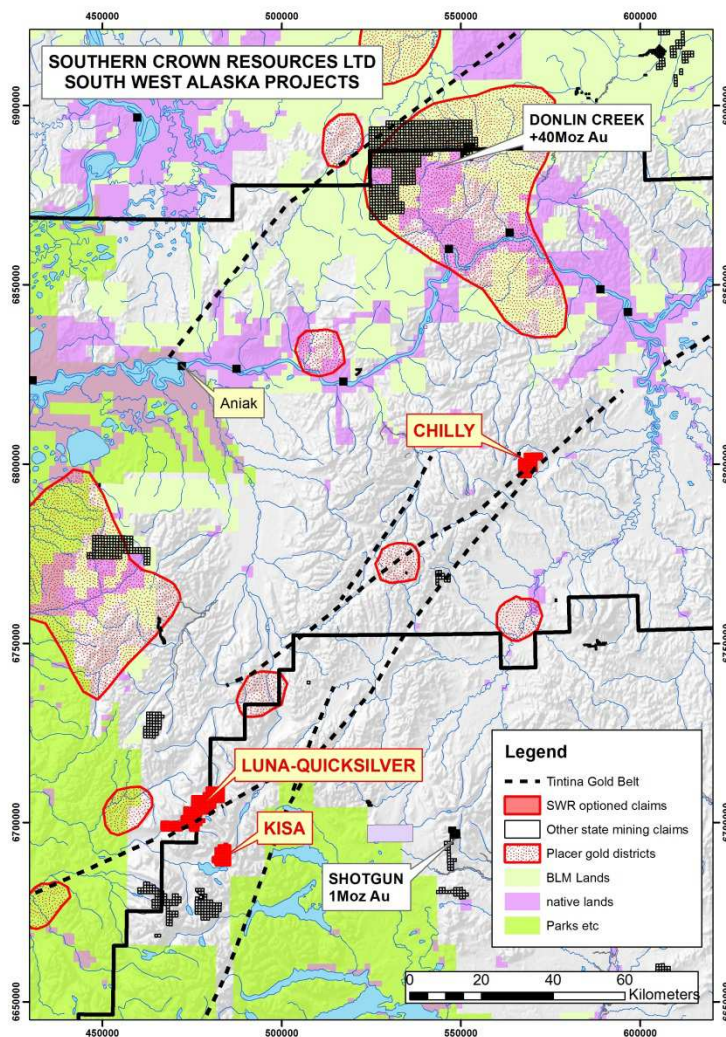


Figure 2: Luna-Quicksilver, Kisa and Chilly project locations

LUNA-QUICKSILVER PROJECT

The Luna-Quicksilver project has undergone sporadic exploration since 2006 with no previous drilling, hamstrung by limited budgets and lack of focus. Several phases of geological mapping, surface geochemistry and geophysics have highlighted mineralization over 5km of strike in a much larger 40km mineralised structure. A shear zone with over 700m of width has been mapped along the river beds underneath alluvial cover, representing the potential for a big target system close to the surface.



Figure 3: Photo showing Luna stockwork veins in the accessible valley and Quicksilver located up to 500m vertical above the valley floor

The Luna-Quicksilver project consists of the 50 Luna claims, owned by Kisa Inc, the 70 Quicksilver claims owned by Black Peak LLC and 13 North Quicksilver claims owned by North Fork LLC, totaling an area of 86km². The Luna claims were first staked in mid-2007 after a regional scale geophysics survey highlighted an anomaly associated with a regional scale structure. Systematic stream sediment sampling, rock chip sampling and geological mapping led to the discovery of the Luna outcrop. At approximately the same time the Quicksilver area was staked following a similar geochemical and geological mapping approach led to the discovery of mineralization located on the ranges above the valley (Figure 4).

A total of 41 stream silt samples collected by Kisa Inc in 2007, from streams draining the Luna prospect area outline a distinct 25 km² gold, arsenic, and antimony anomaly. Silt samples returned values up to 1052 ppb gold, this maximum assay comes from a sample located in the creek below the main Luna outcrop.

In excess of 100 rock chip samples have been collected from the Luna prospect area with many containing anomalous gold, with values as high as 64.7g/t Au reported. Gold is associated with anomalous arsenic (up to 1% As), antimony (up to 187 ppm Sn), bismuth (up to 36 ppm Bi), molybdenum (up to 64 ppm Mo), silver (up to 74 ppm Ag) and copper (up to 1.2% Cu).

At the Quicksilver prospect in excess of 150 rock chips have been collected, with a maximum of 36.1g/t Au, 56.2g/t Ag, 555ppm Bi, 717ppm Sb, 17.9ppm Te, 215ppm Mo.

Further details of historical results can be sourced from ASX release dated 20 August 2014.

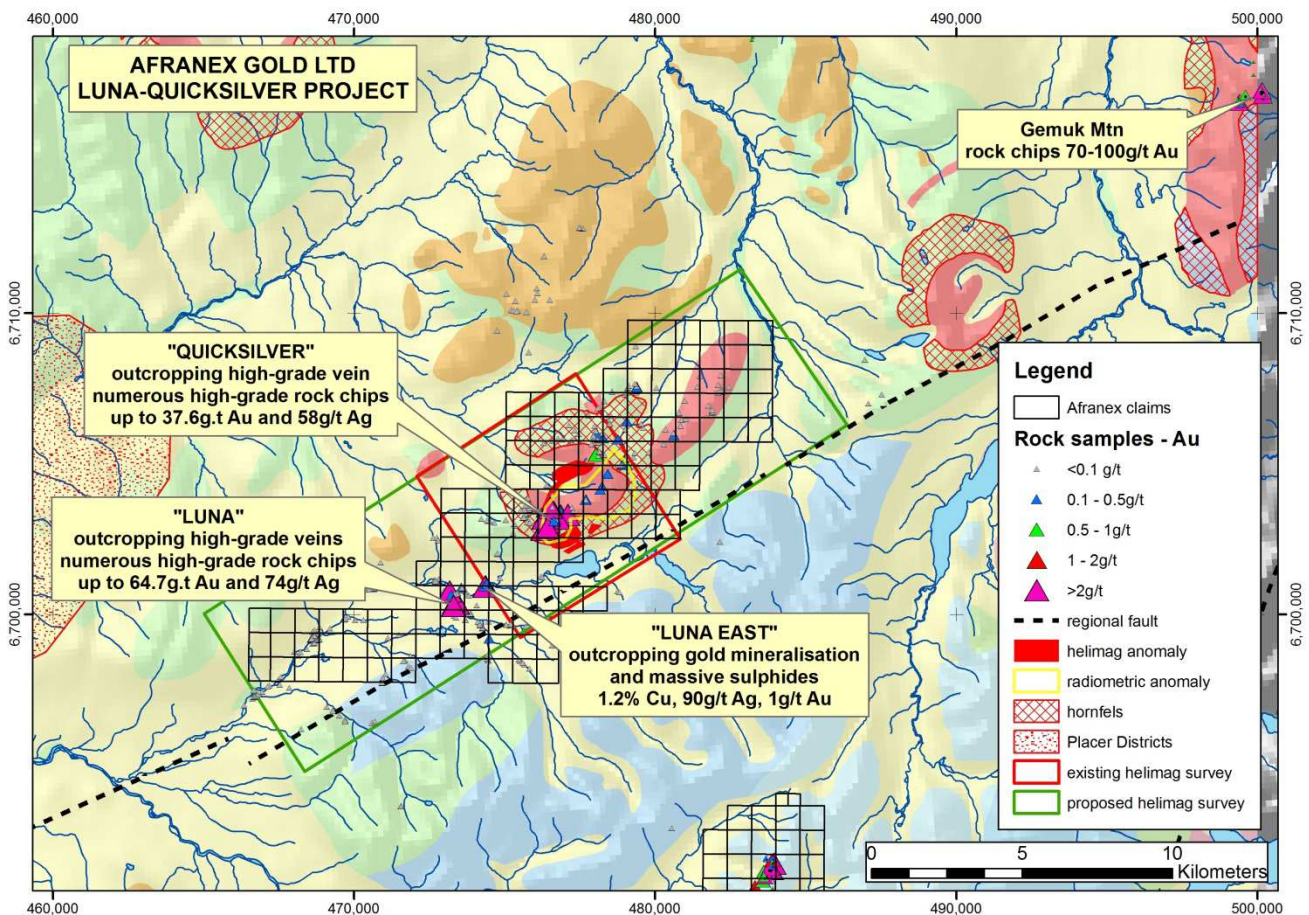


Figure 4: Luna-Quicksilver showing outcropping veins in structural corridor

2014 EXPLORATION

The main field season falls in summer between late May and early October depending on weather. As a result of the timing of the option agreement signing, Southern Crown commenced exploration during the due diligence phase with channel and rock chip sampling and ground magnetics. After the signing the Company conducted further channel and rock chip sampling, an auger geochemical program, bio-geochemistry and geological mapping.

During July 2014, Southern Crown conducted a due diligence rock chip and channel sampling program over the Luna and Luna East outcrops. Rock chip sampling confirmed the anomalous nature of both outcrops with a maximum of 2.9g/t Au, 10.6g/t Ag from Luna (plus anomalous As, Sn, Bi, Mo,Te). Interestingly, at Luna East all veins sampled returned highly anomalous copper with all above 0.25% Cu and with a maximum of 0.57% Cu, with up to 32.5g/t Ag and 0.19g/t Au.

Channel sampling at Luna and Luna East located a mixture of altered sediments and dyke and sill intrusions with stockwork quartz-carbonate veins. Blebs of iron oxide after sulphides as well as arsenopyrite in veins were evident. The Luna channel highlighted a 110ft (35m) wide zone of anomalous gold (+0.1ppm Au), silver (+0.08ppm Ag), arsenic (+100ppm As), antimony (+3ppm Sb) and tin (+4ppm). The Luna East channel highlighted a 40ft (12m) wide zone of anomalous gold (+0.06ppm Au), silver (+0.80ppm Ag), arsenic (+400ppm As), antimony (+2.5ppm Sb), tin (+4ppm Sn) and tungsten (+4ppm W).

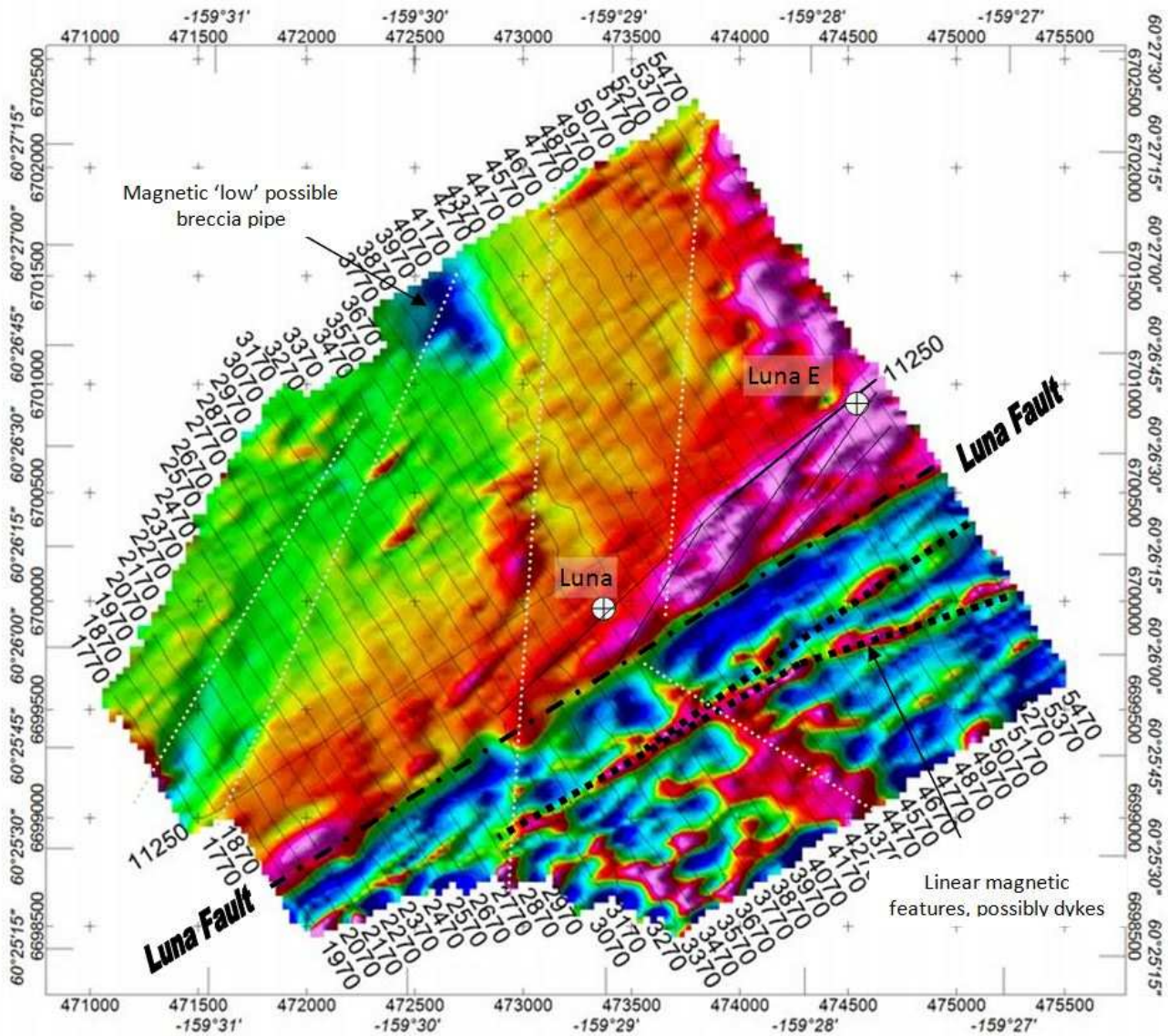


Figure 5: Luna ground magnetic survey

Ground Geophysics

Although a number of geophysical programs have been conducted at Luna–Quicksilver including regional magnetics, helimagnetic, and wide spaced ground magnetics, IP and EM, no detailed survey existed directly over the Luna and Luna East sulphidic vein sets. During early August SJ Geophysics on behalf of Southern Crown, completed a 102 line km survey on 38 lines spaced 100m apart, with a 12.5m sampling frequency.

The ground magnetic survey at Luna-Quicksilver has highlighted the potential for felsic dykes and sills within the altered surrounding sediments (Figure 5). The resulting levelled magnetic response shows a very clear structural 'break' striking NE, representing a fault (Luna Fault). The current geochemical scout drilling has shown the weathering to increase in proximity to the fault zone and evidence of the fault can be seen in geological outcrops. To the SE of the fault a lower magnetic unit characterized by the green blue coloration is disrupted by higher magnetic NE lineation's, which appear to be associated with dyke systems. Scout drilling has been extended across these features.

Passing through the middle of the survey striking north-south is a major cross-cutting structure close to the Luna outcrop and extending north into the Quicksilver helimagnetic survey area, impacting the major Luna Fault. In addition, the northern section of the survey area hosts a discrete magnetic 'low' which looks similar to features at Quicksilver which have been mapped as breccia pipes.

Further details on the ground geophysics survey and results can be sourced from the ASX release dated 15 September 2014.

Geochemistry

A total of 39 auger geochemical holes for 829ft (253m) were drilled across the main NE structural trend between Luna and Luna East on four lines nominally spaced 400 metres apart with holes on each line nominally spaced 100m apart (Figure 6). The majority of holes intersected the top of bedrock, however some intersected fault clays, with the average depth to bedrock of 5 metres. Access restricted drilling to the SE side of the North Fork River and areas where the small track mounted rig could access without clearing.

A total of 61 samples were submitted to the ALS Laboratories in Fairbank, Alaska, an internationally recognized laboratory. The auger geochemistry is expected to assist mapping of the anomalous geochemistry below the glacial till overburden.

The Company also completed channel sampling along the river banks below the overburden. The channel sampling involves digging away up to 0.5m of overburden to expose underlying weathered bedrock. Work done during the due-diligence has indicated that this is an effective way of channel sampling and geological mapping of the bedrock, similar to what would be achieved by trenching several metres through the overburden.

In excess of 1600ft (487m) of bedrock channels have been exposed from strategic locations along the stream cut banks around Luna-Luna East, with 146 samples collected from 1,460ft (445m). Samples were collected at nominal 10ft (3m) intervals. Results are expected to complement the auger geochemistry and provide a top of bedrock geochemical anomaly map.

In order to test a larger area along strike to the Luna and Luna East prospects as well as gain lateral coverage, the company engaged a biogeochemical expert to oversee the collection and analysis of vegetation samples. Over 3km of the Luna-Luna East strike was covered with a total of 335 biogeochemical samples collected on lines spaced 400 metres with samples on each line spaced 100 metres. Samples were collected from common species of plants to ensure a reflective geochemical sample.

Further details can be sourced from the ASX release dated 21 October 2014, submitted subsequent to the end of the quarter.

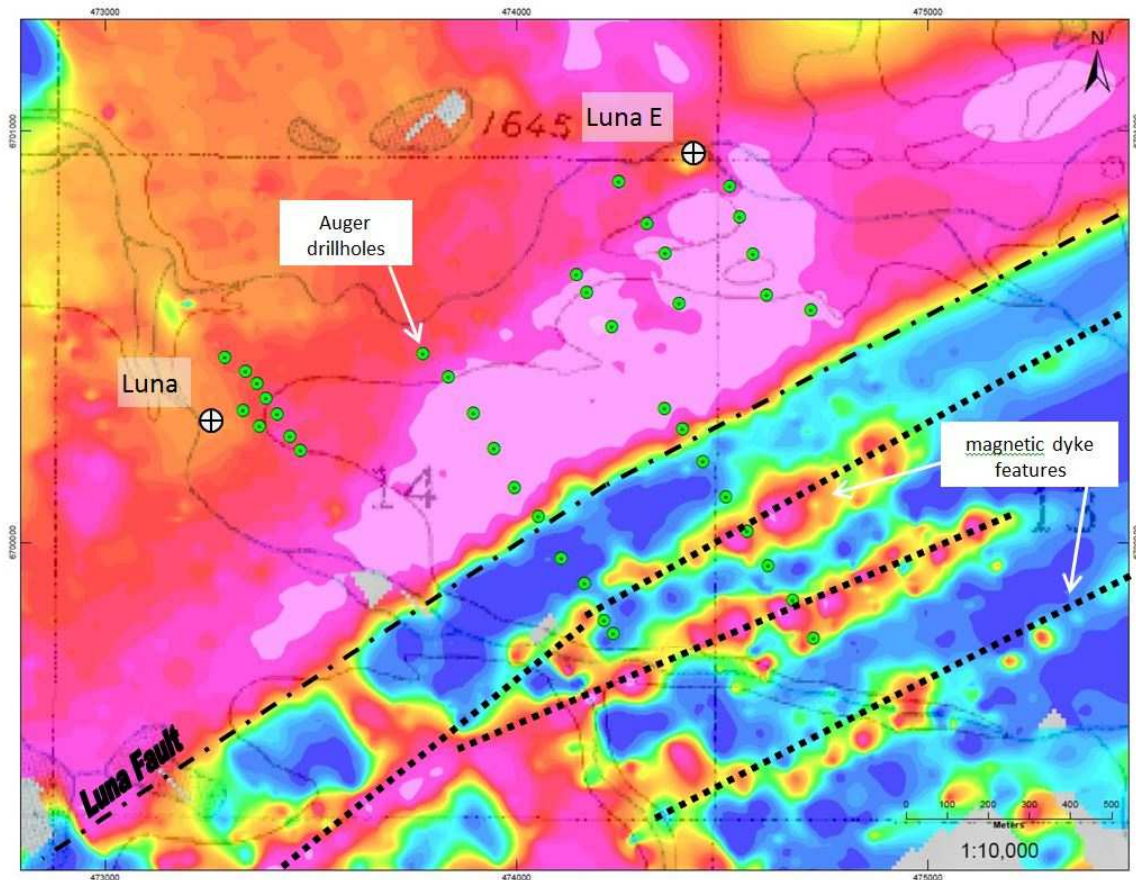


Figure 6: Luna-Luna East showing auger drilling over magnetics and topography (UTM NAD83 Zone 4)

OTHER PROJECTS (Kisa and Chilly Projects)

Two other projects are included in the Option Agreement, these include Kisa and Chilly projects (Figure 2).

The Kisa project comprising 38 claims (23.6km²) and located 14km SE of Luna-Quicksilver was discovered as a colour anomaly that is visible from air-photography as a 'rusty' orange oxidized zone. Geochemistry and geological mapping located a breccia pipe measuring 500m x 300m as well as numerous dyke and sills. Six core holes were drilled into the breccia pipe in 2007 locating widespread low level gold anomalism with the best results 126m @ 0.65g/t Au from K07-05 (483,432E, 6,690,936N – UTM Zone 4 NAD83, -40deg dip, 90 deg azimuth).

Chilly comprises 44 claims (28.5km²) and is located 50km SW of the village of Sleetmute. The claims were pegged as anomalous streams draining from a granodiorite intrusion adjacent to a bounding regional Tintina fault. First pass exploration was conducted in 2008 including geological mapping and ridge and spur soil sampling where possible. Soil sampling identified a 500m long gold anomaly (>100ppb Au) with a larger coincident arsenic anomaly (>250ppm As).

During the quarter, Southern Crown decided not to hold the Chilly project, with the support of the vendors. The rental payments will not be made when they fall due and as a result the Chilly project claims will expire.

AUSTRALIAN PROJECTS

Ropewalk project (EPM 17643)

The Mt Jack Line warrants follow-up, as previous drilling highlighted good continuity adjacent to an existing deposit. This follow up is best achieved with cooperation from Australian Gold Mining Pty Ltd, a subsidiary of a Chinese company Yantai Yuancheng Gold Mining Co. No exploration work was conducted on the Ropewalk project during the quarter; however reconnaissance fieldwork is planned on targets along strike from Mt Jack and around the Eastern, Carlisle and Tweedside EM anomalies.

The Dish project (EL 6910)

No exploration work was conducted on the Dish Project during the quarter.

OTHER PROSPECTS

Southern Crown continues to evaluate new opportunities both in Australia and overseas that could complement the existing portfolio and potential add shareholder value.

SCHEDULE OF MINING AND EXPLORATION TENEMENTS

At 30 September 2014, the Company held the following exploration tenements:

Project Name	Locality	Tenement	Equity
Ropewalk	Queensland	Exploration Permit 17643	100%
The Dish	New South Wales	Exploration Licence 6910	100%

During the quarter the Company signed an exclusive option agreement with Afranex to explore and acquire a package of projects with highly prospective multi metallic targets located 500km west of Anchorage in the South West Tintina gold belt of Alaska. The Option includes 3 projects (Luna-Quicksilver, Kisa and Chilly), totaling 138km².

CASH POSITION

At 30 September 2014, the Company held cash reserves of approximately \$1.52 million.

SHAREHOLDER INFORMATION

At 30 September 2014, the Company had 37,501,482 shares on issue with the Top 20 holding approximately 53% of the total issued capital. This follows the Company announcement on 28th August 2014 regarding the Placement of up to 13 million shares to be issued in two tranches. 7.5m Placement Shares were issued on 8th September 2014 utilising the Company's placement capacities under Listing Rules 7.1 and 7.1A, raising \$375,000. A further 5.5m Placement Shares were issued subsequent to the end of the quarter, raising a further \$275,000. At the date of this report, the Company had 43,001,482 shares on issue with the Top 20 holding approximately 56% of the total issued capital.

For further information please contact:

Rhod Grivas

Executive Chairman

Ph: +61 419 919 321

rhod.grivas@southerncrown.com.au

About Southern Crown Resources Limited

Southern Crown Resources Limited has an option agreement to acquire a package of projects located in the Tintina gold belt of Alaska, USA. In addition the company has copper-gold exploration projects located in western NSW and far north Queensland.

The Company continues to evaluate additional mineral projects considered likely to add value to shareholders.

The Board of Directors has a strong mix of technical, financial and corporate skills to successfully explore the Company's existing projects as well as source and develop further acquisition opportunities globally.

Competent Person's Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Rhoderick Grivas, an employee of the Company and a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Grivas has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grivas consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

SOUTHERN CROWN RESOURCES LIMITED

ABN

52 143 416 531

Quarter ended ("current quarter")

30 SEPTEMBER 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(550)	(550)
	(b) business development	(16)	(16)
	(c) production	-	-
	(d) administration	(85)	(85)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	15	15
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(636)	(636)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(636)	(636)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(636)	(636)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	375	375
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Authorised & unissued shares)	233	233
	Net financing cash flows	608	608
	Net increase (decrease) in cash held	(28)	(28)
1.20	Cash at beginning of quarter/year to date	1,547	1,547
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,518	1,518

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	49
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Executive and Non-Executive Director Salaries	49
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	230
4.2 Development	-
4.3 Production	-
4.4 Administration	90
Total	320

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	235	2
5.2 Deposits at call	318	85
5.3 Bank overdraft	-	-
5.4 Other (Term Deposits)	965	1,459
Total: cash at end of quarter (item 1.22)	1,518	1,547

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

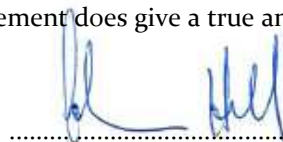
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions				
7.3 +Ordinary securities	37,501,482	37,501,482	Fully Paid	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs	7,500,000	7,500,000	\$0.05	\$0.05
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	500,000 500,000 500,000		Exercise price 0.25 0.25 0.35	Expiry date 23 Jul 2015 2 Jun 2016 2 Jun 2016
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 30/10/2014

Company Secretary

Print name: Adrian Hill

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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