



Southern Cross Exploration N.L.

A.C.N. 000 716 012

29/2 CHIFLEY SQUARE SYDNEY AUSTRALIA

e-mail: sxx@sxxgroup.com

www.sxxgroup.com

TELEPHONE: (61-2) 93752337

PLEASE ADDRESS ALL CORRESPONDENCE TO GPO BOX 4246 SYDNEY NSW 2001

27 October 2014

Manager - ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Madam

QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 30 September 2014

(ASX code - SXX)

The Company previously advised that it was a subsidiary of Longreach Oil (LGO) after LGO acquired a substantial interest in SXX. On 31 August 2014 LGO sold its controlling interest in SXX. Accordingly from this quarter (September 2014) the two entities will commence reporting separately.

On 2 July 2014 the company reached an agreement with Dateline Resources Limited (DTR) for Southern Cross to subscribe for 15,000,000 (representing 19.7% of DTR) fully paid ordinary shares at \$0.04 in DTR conducted in two tranches. The first tranche of 7,500,000 shares was completed on 4 July 2014. The second tranche is to be completed by 31 December 2014.

On 12 September 2014 SXX made a rights issue offering to existing Shareholders giving them the right to acquire one share for each held at .001 cent per share in order to raise up to \$538,422 to meet working capital requirements. The closing date for acceptance of the offer was 2 October 2014 with allotment of new shares on 9 October 2014 (Outside this reporting period).

During the Quarter Southern Cross moved to appoint a receiver to act for it in the recovery of a secured loan advanced to Nadi Bay Beach Corporation. The Board is confident that a timely settlement of the loan facility will result from this action.

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.

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. The joint venture also includes Paladin Energy Ltd, which holds 41.7% through its subsidiary, Northern Territory Uranium Pty Ltd.

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 N L, and the Yuendumu Mining Company N L et al were participants at various times.

China Uranium Development Co. Limited, Energy Metals' largest shareholder (60.6%) since 2009, is a wholly owned subsidiary of China General Nuclear Power Holding Company (CGNPC). As of mid-year, CGNPC had eight operating nuclear power stations with existing generation capacity of 8,330MWe and with more than 16,800MWe of capacity under construction in 14 separate power stations across various locations around China. Additionally CGNPC is one of only two companies authorised by the Chinese government to import and export uranium.

Activities (September 2014 Quarter)

The main activities undertaken involved collection of radiation and environmental data for on-going baseline studies. The work was ongoing during the quarter.

For further information on the Bigryi Project, including resource estimates and economic studies, visit the website of Energy Metals - www.energymetals.net or refer to EME's ASX announcements.

URANIUM - MKUJU RIVER, TANZANIA (7%)

Southern Cross has a 7% interest in this project, which comprises several uranium exploration licences in Tanzania. It was proposed to increase the interest in this project to 25%; however that transaction is still not completed. The tenements are located north of the Mkuju River Uranium Project (previously held by Mantra Resources). In 2011, a subsidiary of the Russian State Atomic Energy Corp. acquired the issued capital of Mantra in a billion dollar transaction (after the Japanese tsunami). The Tanzanian tenements have been described as prospective for the discovery of economic uranium deposits. No activity reports on this project were received during the quarter.

GOLD - PHILIPPINES

BATANGAS PROJECT (10%) (Tenement applications - EPA IVA-115 and PMPSA 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.

A nearby porphyry copper-gold deposit (Taysan - some 6 kms away) is held by Crazy Horse Resources Inc, a Toronto listed company.

Another company with a nearby project is Red Mountain Mining Ltd (ASX code - RMX). There have been recent exciting developments on RMX's Lobo project, on which RMX has reported exceptionally high gold values of up to 100 gpt. The Lobo project is also close to the Batangas Gold Project area. (for further information, visit RMX's website: www.redmm.com.au - or refer to the ASX announcements of RMX).

- 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. Southern Cross can acquire an additional interest in the Gold Cross Gold Project by exercising its rights to purchase the balance of 80% in several tranches.

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. This project is being kept under review and discussions have continued during the quarter.

OIL & GAS & ENERGY

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

GENERAL

There were no acquisitions or disposals of any interests in any of the Company's projects during the quarter.

There was no exploration expenditure incurred during the quarter.

Directors continue to investigate opportunities to participate in joint ventures and acquire projects in Australia and overseas.

For and on behalf of
Southern Cross Exploration N L



C Coleman
Chairman