



ASX / Media Release – 18 February 2010

## **NEW DRILLING INTERSECTS HIGH GRADE GOLD NORTH OF PLANNED OPEN PIT AT BATTLER**

### *NEW TARGET ZONE NORTH OF THE PLANNED OPEN PIT*

#### Highlights:

- 4m @ 10.6 g/t Au including 2m @ 18.3 g/t Au intersected in Hole BGRC141
- Open in all directions
- 100 metres north of planned open pit at the same level as the pit floor
- Follows recent announcement of high grade near surface intersections within planned pit, including 6m @ 19.1 g/t Au

Further to its ASX Announcement of 14 February, Southern Cross Goldfields Ltd (ASX: SXG) is pleased to advise that it has received further significant results from the **Battler** deposit, with recent exploration drilling returning a high-grade intersection of **4m @ 10.6g/t Au including 2m @ 18.3g/t Au from 80m down-hole** in a previously untested area to the north of the planned open pit (*Figure 1 and Table 1*).

The newly discovered mineralisation intersected in hole BGRC141 remains open in all directions, highlighting a significant new exploration target zone to the north of the planned open pit at Battler.

BGRC141 intersected high grade mineralisation approximately 100 metres north of and just above the planned pit floor at Battler. Other intersections immediately to the north and below the planned pit floor at Battler include **9m @ 7.3 g/t Au** (BGRC 111), **6m @ 12.3 g/t Au** (BGRC 120) and **5m @ 9.8 g/t Au** (BGRC 125). These intersections demonstrate the underground potential at Battler easily accessible from the planned pit.

After infill and extensional drilling is completed at the Company's other planned open pits at Marda, RC drilling will recommence at Battler. This drilling will test for extensions to this newly discovered high grade mineralisation as well as extensions to the recently announced near surface high grade zone.





Battler is one of seven key oxide deposits which form part of SXG's recently announced production strategy (*Figure 2*). This is based on the establishment of a 400,000tpa gold processing plant at the Marda Project and initial targeted production of 30,000 ounces per year over five years.

SXG's Managing Director, Mr Glenn Jardine, said: "The intersection at Battler has simply confirmed our belief that there is significant untapped potential at each of our deposits for extensions to known mineralisation. This potential is being realised through a focussed and re-energised exploration programme in support of our production strategy."

- ENDS -

For further details, please contact

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Refer to [www.scross.com.au](http://www.scross.com.au)

Table 1 Assay Table Battler RC Intersections, February 2011

Hole ID	Depth	MGA East	MGA North	Dip	Azimuth	M From	M To	Interval M	Grade g/t Au
BGRC141 including	168	727293	6529645	-70	233	80 82	84 84	4 2	10.6 18.3
BGRC129	40	727338	6529417		0				NSA
BGRC130	45	727347	6529424		0				NSA

**Notes to accompany assay table:**

Collar co-ordinates in MGA94, Zone 50; local north rotated 35° anti-clockwise from true north.

Collar survey accuracy is within 1m except for hole BGRC141 which is within 4m

All drilling is by 5.25 inch face sampling RC hammer and samples are riffle split on site to a nominal 2kg.

All 1m samples are assayed by 40g fire assay at Ultratrace laboratories, Perth

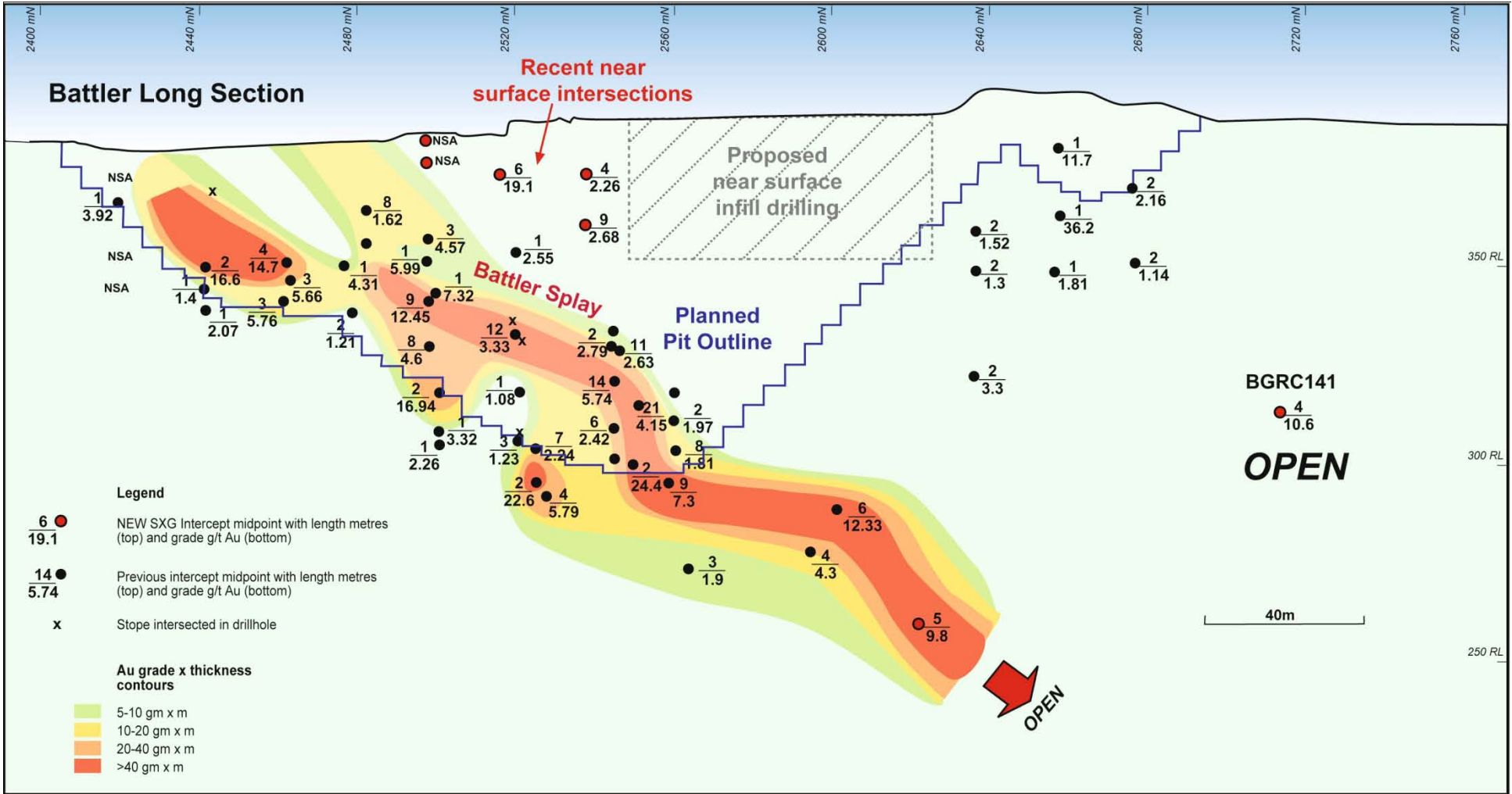


Figure 1 Battler Long Section

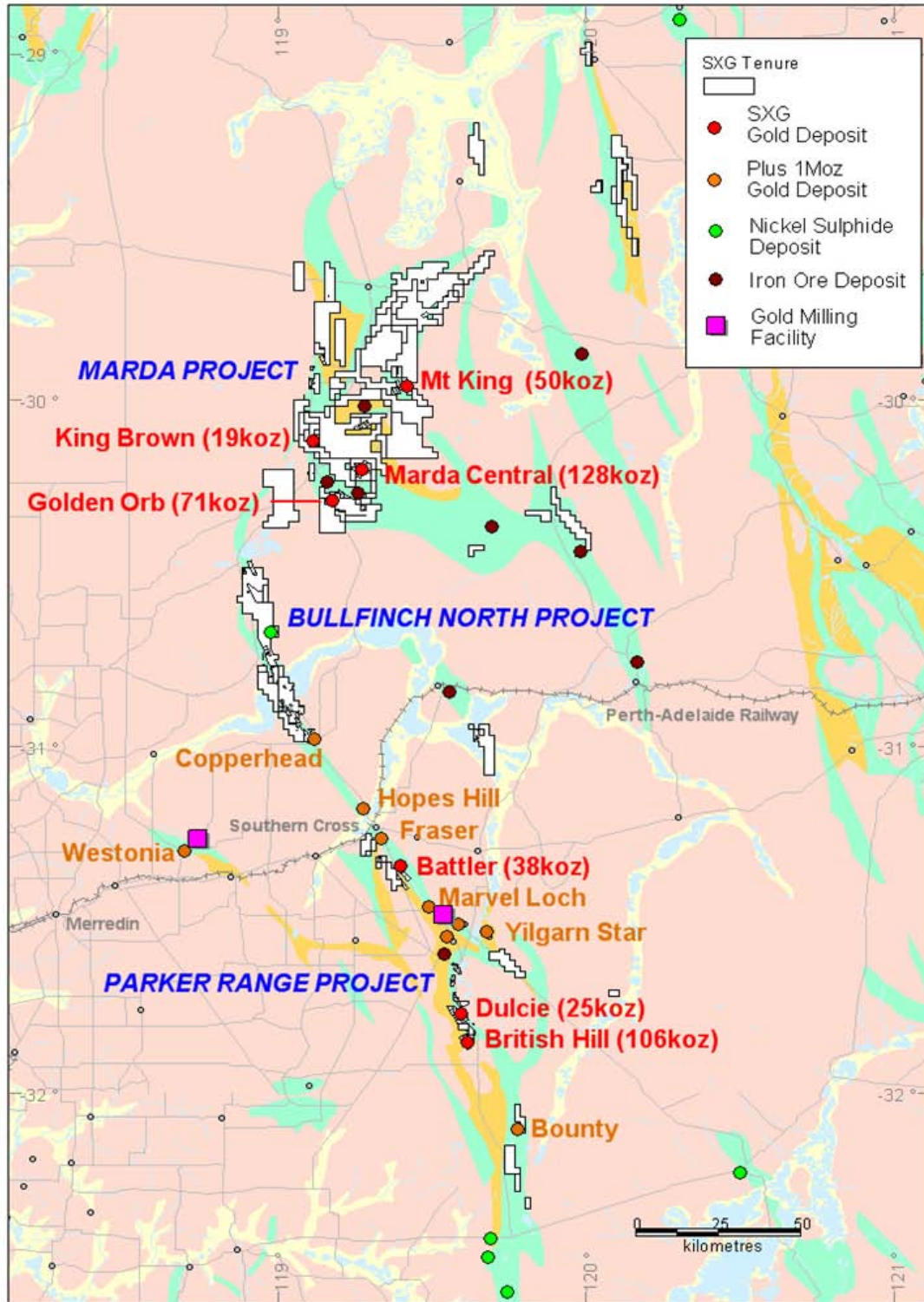


Figure 2 – Location Map

**JORC MINERAL RESOURCE ESTIMATE**

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Python	502,000	2.0	32,500	241,000	1.8	14,000	117,000	1.7	6,000	859,000	1.9	52,000
Dolly Pot	488,000	1.9	29,000	178,000	1.6	9,000	85,000	1.5	4,000	751,000	1.8	43,000
Dugite	196,000	2.1	13,000	82,000	1.7	5,000	20,000	1.6	1,000	298,000	2.0	19,000
Goldstream	200,000	1.9	12,500	26,000	1.6	1,000	7,000	1.6	1,000	233,000	1.9	14,000
King Brown				176,000	3.0	17,000	25,000	2.2	2,000	201,000	2.9	19,000
Battler				432,000	2.4	33,400	72,000	1.8	4,100	504,000	2.3	37,500
British Hill				1,166,000	1.9	71,000	557,000	1.9	35,000	1,724,000	1.9	106,000
<b>Sub Total</b>	<b>1,386,000</b>	<b>2.0</b>	<b>87,000</b>	<b>2,301,000</b>	<b>2.0</b>	<b>150,400</b>	<b>883,000</b>	<b>1.9</b>	<b>53,100</b>	<b>4,570,000</b>	<b>2.0</b>	<b>290,500</b>
Golden Orb							1,023,000	2.2	71,000	1,023,000	2.2	71,000
Mt King							523,000	3.0	50,000	523,000	3.0	50,000
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,546,000</b>	<b>2.4</b>	<b>121,000</b>	<b>1,546,000</b>	<b>2.4</b>	<b>121,000</b>
<b>Total</b>	<b>1,386,000</b>	<b>2.0</b>	<b>87,000</b>	<b>2,301,000</b>	<b>2.0</b>	<b>150,400</b>	<b>2,429,000</b>	<b>2.2</b>	<b>174,100</b>	<b>6,116,000</b>	<b>2.1</b>	<b>411,500</b>
<b>Laterite</b>												
Dulcie				1,020,000	0.7	22,300	100,000	0.7	2,300	1,120,000	0.7	24,600
<b>Total Laterite</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,020,000</b>	<b>0.7</b>	<b>22,300</b>	<b>100,000</b>	<b>0.7</b>	<b>2,300</b>	<b>1,120,000</b>	<b>0.7</b>	<b>24,600</b>
<b>Total</b>	<b>1,386,000</b>	<b>2.0</b>	<b>87,000</b>	<b>3,321,000</b>	<b>1.6</b>	<b>172,700</b>	<b>2,529,000</b>	<b>2.2</b>	<b>176,400</b>	<b>7,236,000</b>	<b>1.9</b>	<b>436,100</b>

**Notes to Accompany Mineral Resource Estimate table:**

- Numbers may not add due to rounding
- Resource models except for Battler, were constructed within the GS3 software, a proprietary resource modelling software developed by Hellman and Schofield.
- The resource model for Battler was constructed within the Minesight software.
- The Dulcie resource was estimated using Ordinary Kriging within a wireframe of laterite using 20m by 20m by 1m blocks. The resources for all other deposits are estimates of recoverable tonnes and grades using Multiple Indicator Kriging with block support correction into model blocks customised to the average drill hole spacing for each deposit and assuming smallest mining unit for ore selection in mine grade control of 3 metres (across the general strike of mineralisation) by 5 metres (along strike) by 2.5 metres (elevation).
- Gold estimation and model blocks were constrained within either geologically derived or grade based wireframes.
- Resource assaying data sets derived from all available reverse circulation and diamond drill sampling. No RAB drilling or trenching assays have been used in the estimates.
- Geology has been used to constrain mineralisation as appropriate.
- Weathering domains have been used to constrain mineralisation where appropriate.
- Data density varies and is reflected in the resource category which has been applied. All measured resources have a drill-hole density of approximately 12.5m x 12.5m. All indicated resources except Dulcie and Battler have a drill-hole density of approximately 25m x 25m. Dulcie has a drill density of 40m x 40m. Battler has a drill density of 20m x 12.5m. Inferred resources have variable density but always less than 50m x 50m except for Mt King which has variable drill-hole spacing between 25m and 100m.
- Assays are generally fire assay, with limited aqua regia assays in the weathered zone.
- All drill-hole collars are surveyed by GPS. Down hole surveys are limited, except at British Hill, where most drill-holes are surveyed.
- A lower cut-off of 0.5g/t Au has been used except at Dulcie where a lower cut-off of 0.4g/t Au has been used.

**JORC Code Compliance Statement**

The geological information in the report to which this statement is attached that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Richard Simmons who is a Member of The Australasian Institute of Mining and Metallurgy. Richard Simmons is a full time employee of Southern Cross Goldfields Limited. Richard Simmons has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Richard Simmons consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The resource estimation of the Battler deposit is based on work completed by independent consultant Mr Dean Fredericksen of Fredericksen Geological Solutions based on resource drilling data sets provided by SXG. Mr Fredericksen is a Member of The Australasian Institute of Mining and Metallurgy and qualifies as a Competent Person in respect of the 2004 JORC code by virtue of having sufficient experience which is relevant to the style of mineralisation and deposit types being estimated. Mr Fredericksen has consented to the inclusion of this information in the form and context in which it appears in this report.

The resource estimation of the Dulcie deposit is based on work completed by Mr Jonathon Abbott utilising resource drilling data sets provided by SXG. Mr Abbott is a full time employee of Hellman and Schofield Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. Mr Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



The resource estimation of the King Brown, Golden Orb, British Hill, Python, Dolly Pot, Dugite, Goldstream and Mount King deposits is based on work completed by Mr Nic Johnson utilising resource drilling data sets provided by SXG. Mr Johnson is a full time employee of Hellman and Schofield Pty Ltd and a member of the Australian Institute of Geoscientists. Mr Johnson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Johnson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Disclaimer

This document has been prepared by Southern Cross Goldfields Limited (SXG). The information and opinions contained in this document are derived from public and private sources which we believe to be reliable and accurate but which, without further investigation, cannot be warranted as to their accuracy, completeness or correctness. This information is supplied on the condition that SXG, and any director, agent or employee of SXG, are not liable for any error or inaccuracy contained herein, whether negligently caused or otherwise, or for loss or damage suffered by any person due to such error, omission or inaccuracy as a result of such supply. In particular any statements concerning mining reserves and resources and cash flow forecasts contained in this document are preliminary, are for discussion purposes only and undue reliance should not be placed on this document.

## Forward-Looking Statements

This document contains forward looking statements concerning the projects owned by SXG. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on SXG's beliefs, opinions and estimates as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Data and amounts shown in this document relating to capital costs, operating costs and project timelines are internally generated best estimates only. All such information and data is currently under review as part of SXG's ongoing development and feasibility studies. Accordingly, SXG makes no representation as to the accuracy and/or completeness of the figures or data included in the document until the feasibility studies are completed.

## JORC – Exploration Targets

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information in this document relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient work completed to define them beyond exploration targets and that it is uncertain if further exploration will result in the determination of a Mineral Resource.