

6 MARCH 2012

SOUTHERN CROSS GOLDFIELDS LTD

Southern Cross Goldfields Ltd

ABN 71 124 374 321

Dominant 4,000km² tenement and mineral rights holding in prolific Marda & Southern Cross regions of Western Australia.

Marda Gold Project Feasibility Study interim results announced pointing to robust gold production base case with significant upside.

Resource updates announced in November following extensive drilling in 2011.

Gold production strategy based on the establishment of a central gold processing plant at Marda Central.

Outstanding gold and base metal exploration potential in underexplored Marda district

Board of Directors

Samantha Tough
Non-Executive Chairman

Glenn Jardine
Managing Director

Graham Brock
Non-Executive Director

John Rowe
Non-Executive Director

Capital Structure

Shares on Issue: 291.1M

Options on Issue: 49.8M

Street Address:

Unit 16, 162 Colin Street, West
Perth 6005

Mailing Address:

PO Box 708,
West Perth 6872

Telephone: +61 8 9215 7600

Fax: +61 8 9485 1283

CLARIFICATION TO SXG SHAREHOLDERS – BARLEE GOLD PROJECT

We refer to the proposal by Beacon Minerals Limited ("Beacon Minerals") to sell Mining Lease 77/1254 ("Barlee ML") to Ramelius Resources Limited ("Ramelius"), which is subject to the approval of Beacon Mineral's shareholders at the general meeting scheduled for 12 March 2012.

In its letter to Beacon Minerals' shareholders accompanying the Notice of Meeting, released to ASX on 8 February 2012, Beacon Minerals stated:

"During the December quarter, and in parallel with the submission of the Proposal to Mine to the Department of Mines and Petroleum, extensive discussions were held with various parties looking at options such as toll treatment, a stand-alone processing plant and other commercial arrangements. The Directors took the decision that the sale of the Barlee ML to Ramelius represented the best value to shareholders with respect to both risk and return."

Southern Cross Goldfields Limited ("SXG" or "the Company") would like to clarify for its shareholders the Company's involvement in discussions with Beacon Minerals regarding the Barlee Gold Project, including Mining Lease 77/1254.

SXG was a party to discussions involving the disposal of Mining Lease 77/1254 during the December quarter, and earlier, in 2011. In early 2011, SXG made a formal offer to the Board of Beacon Minerals to acquire Beacon Minerals gold assets that comprise the Barlee Gold Project including Mining Lease 77/1254. SXG's offer consisted of an offer to acquire the tenement comprising the Barlee Gold Project in consideration for the issue to Beacon Minerals of 60 million SXG shares to be distributed *in-specie* to Beacon shareholders.

Whilst it is apparent that SXG's offer has not been accepted by Beacon Minerals, SXG's offer has not been withdrawn by the Company and, as far as SXG is aware, it has not received any formal rejection of its offer from Beacon Minerals.

The Company has today written to the Board of Beacon Minerals regarding its offer and reiterating its willingness to enter into negotiations to acquire the Barlee Gold Project should Beacon Minerals shareholders vote against the sale of the Barlee ML to Ramelius.

The Board of SXG is of the belief that its offer for the acquisition of the Barlee Gold Project represents superior immediate value to Beacon Minerals shareholders, as well as superior long term upside potential via exposure to Southern Cross Goldfields' production strategy, extensive regional gold exploration potential and exciting Copper Bore project (*refer Figure 1*).

SXG shareholders will be aware of the Company's stated regional gold production and consolidation strategy involving the establishment of a gold production facility at Marda Central (100 kilometres south of Barlee) and the Company's activities during 2011 in successfully concluding three regional gold consolidation transactions.



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Those transactions involved:

- the acquisition of an option over Barranco Resources 140,000 ounce gold resources at Red Legs and Die Hardy;
- the acquisition of Renaissance Minerals tenements in the Marda/Southern Cross regions along with an earn-in arrangement at the high-grade Radio Gold Mine, and
- the acquisition from Radar Iron of gold and other non-iron rights surrounding the Company's Copper Bore project.

Shareholders will also be aware of the substantial upside presented by the Company's extensive and highly prospective 4,000km² tenements and rights package in the Marda district. The Company has also recently announced highly encouraging exploration results along its Evanston Shear gold corridor and at its Copper Bore VMS base metals project.

- ENDS -

For further details, please contact

Glenn Jardine, Managing Director – Southern Cross Goldfields Ltd

Telephone: +61 8 9215 7600, email glennj@scross.com.au

Refer to www.scross.com.au

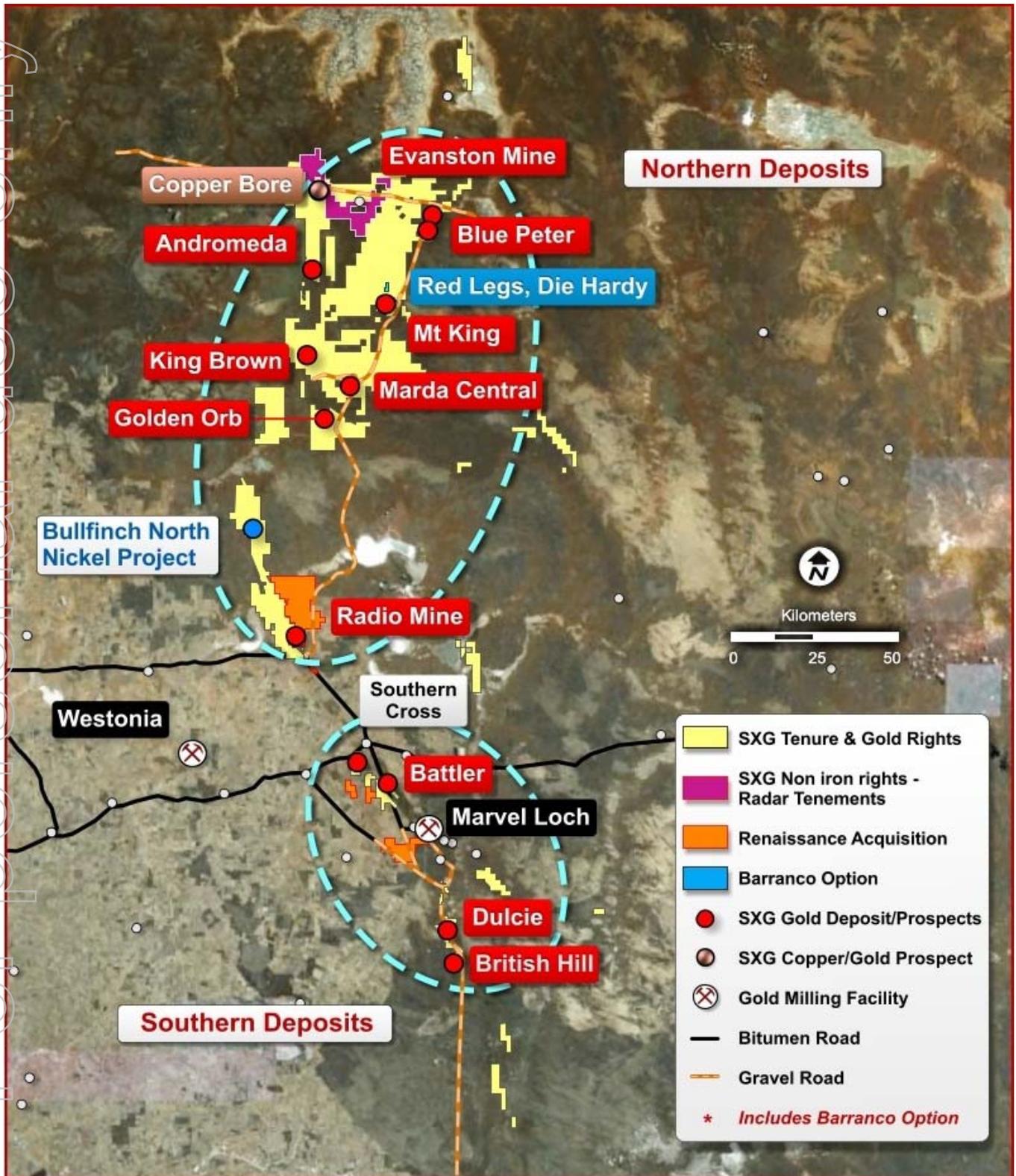
For media inquiries, please contact:

Nicholas Read – Read Corporate

Telephone: +61 9388 1474, email nicholas@readcorporate.com.au



FIGURE 1 SXG PROJECT LOCATION PLAN





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You are cautioned not to place undue reliance on forward looking statements as actual outcomes may differ materially from forward looking statements

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