



SOUTHERN CROSS GOLDFIELDS LTD

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Dear Shareholder,

The Notice of Meeting you are being sent today presents a new start for Southern Cross Goldfields.

It provides shareholders with the opportunity to authorise important transactions that promise to fundamentally reshape the company, creating a strong, vibrant force in the Australian mining sector.

As you will be aware, Southern Cross announced in July that the company has secured a A\$60 million debt package and a new cornerstone investor to fully fund its existing project pipeline and underpin future growth.

The new cornerstone investor is TrailStone Group, a major commodity trading and logistics company with operations in the US, Europe and Australia.

As a condition of the TrailStone debt transaction, Southern Cross is simultaneously undertaking a recapitalisation involving a minimum \$6 million equity raising (including a minimum \$1 million from TrailStone). Sophisticated investors are being offered shares at a price of 1 cent per share, with one free option for each two shares purchased. The options are to be exercisable at a price of 1.4 cents per share.

As part of the recapitalisation, existing shareholders are to be invited to participate in a Share Purchase Plan (SPP) to provide them the opportunity to share in the benefits the transactions are expected to deliver to shareholders. The terms of the SPP will be announced in due course, but will be at least as attractive as the terms provided to sophisticated investors.

Directors strongly recommend that you vote in favour of the resolutions to be put before the forthcoming EGM, and also urge you to participate fully in the SPP, because the transactions being considered collectively will transform your company in the following ways:

- 1) Southern Cross will move from the ranks of small explorers and aspiring developers to become a gold producer within 12 months, generating ongoing cashflow, in turn leading to a potential sharemarket rerating.
- 2) The Company's financial position will be significantly improved through the contribution of new equity from existing investors, along with the introduction of an important new cornerstone investor in TrailStone Group.
- 3) The Company's share register will be significantly enhanced through the addition of TrailStone and other investors, providing a stable platform for future growth.
- 4) The Company will obtain access to debt funding from TrailStone, enabling development of our existing project pipeline, and providing capacity to seize attractive opportunities for growth and expansion available in the current depressed junior mining market.
- 5) Successful completion of the transactions will enable Southern Cross to differentiate itself from other companies in the junior mining space, by being fully funded, generating cash, with aggressive growth potential and important leverage to the gold price, creating an attractive investment opportunity in the market.

In the absence of the proposed transaction proceeding, Southern Cross will be left in its current position, with few attractive strategic options to secure development funding, and facing considerable capital constraints.

Directors are personally supporting the transaction financially, committing to contribute significant funds through the capital raising, demonstrating their faith in the long-term future of the Company.

Shareholders are urged to read the Notice of Meeting carefully and to vote in favour of the resolutions, either in person at the meeting, or by proxy.

Yours sincerely,

Frank Terranova
Managing Director and Chief Executive
5 August 2014

SOUTHERN CROSS GOLDFIELDS LIMITED

ABN 71 124 374 321

NOTICE OF EXTRAORDINARY GENERAL MEETING
and
MEETING MATERIALS

Date of Meeting: Thursday, 4 September 2014

Time of Meeting: 10:30 am (AEST)

Venue of Meeting: Christie Conference Centre
320 Adelaide Street,
Brisbane, Qld, 4000

This document should be read in its entirety.

If Shareholders are in doubt as to how they should vote on the Resolutions, they should seek advice from their financial or other professional adviser prior to voting.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of **SOUTHERN CROSS GOLDFIELDS LIMITED ACN 124 374 321** (the **Company** or **SXG**) will be held on Thursday, 4 September 2014, commencing at 10.30 am (AEST) at the Christie Conference Centre, 320 Adelaide Street, Brisbane (**Meeting**) for the purpose of transacting the business set out below. Registration will commence just prior to the Meeting.

This Notice incorporates, and should be read together with, the Meeting Materials which includes the Explanatory Memorandum and Proxy Form.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary contained in the Explanatory Memorandum.

RESOLUTION 1: Ratification of prior Options issued to RMB

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 63,775,510 Options (**RMB Options**) to RMB on the terms and conditions set out in the Explanatory Memorandum.”*

Voting Exclusion Statement: The Company will, in accordance with Rules 7.4 and 14.11, disregard any votes cast on Resolution 1, by or on behalf of RMB and any of its associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

RESOLUTION 2: Ratification of prior Shares issued to Barranco

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 20,000,000 Shares (**Barranco Shares**) to Barranco Resources NL on the terms and conditions set out in the Explanatory Memorandum.”*

Voting Exclusion Statement: The Company will, in accordance with Rules 7.4 and 14.11, disregard any votes cast on Resolution 2, by or on behalf of Barranco Resources NL and any of its associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

RESOLUTION 3: Approval to issue Future Placement Securities

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of:

- up to a maximum of 650 million (650,000,000) Shares at any time during the period of 3 months after the date of the Meeting, at a minimum issue price per Share which is at least 80% of the average market price of the Company’s Shares over the last five trading days prior to the day on which the issue is made (**Future Placement Shares**); and*
- up to a maximum of 325 million (325,000,000) free-attaching options (**Future Placement Options**),*

*(together the **Future Placement Securities**), at any time during the period of 3 months after the date of the Meeting, by way of an issue to existing shareholders under a proposed shareholder offer (**Shareholder Offer**) or placements to investors (**Future Placements**) that may be identified by the Company or that fall within one or more of the classes of exemptions specified in section 708 of the Corporations Act (**Future Placees**).”*

Further details of the nature of the Shareholder Offer and Future Placements, including the terms and conditions of the Future Placement Shares and Future Placement Options are set out in the Explanatory Memorandum.

Voting Exclusion Statement: The Company will, in accordance with Listing Rules 7.1 and 14.11, disregard any votes cast on Resolution 3, by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any of their respective associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

RESOLUTION 4: Approval to issue Terranova Securities

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the allotment and issue of up to:

- *25 million Shares at a price per Share of \$0.01 (**Terranova Shares**); and*
- *12.5 million free-attaching options (**Terranova Options**),*

*(together the **Terranova Securities**) at any time during the period of 1 month after the date of the Meeting, by way of placements to Mr Frank Terranova or his nominees and on the terms set out in the Explanatory Memorandum.”*

Note: If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion Statement: The Company will, in accordance with Listing Rules 10.13 and 14.11, disregard any votes cast on Resolution 4, by or on behalf of Mr Frank Terranova and any of his associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

RESOLUTION 5: Approval to issue Parker Securities

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the allotment and issue of up to:

- *5 million Shares at a price per Share of \$0.01 (**Parker Shares**); and*
- *2.5 million free-attaching options (**Parker Options**),*

*(together the **Parker Securities**) at any time during the period of 1 month after the date of the Meeting, by way of placements to Mr Jon Parker or his nominees and on the terms set out in the Explanatory Memorandum.”*

Note: If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion Statement: The Company will, in accordance with Listing Rules 10.13 and 14.11, disregard any votes cast on Resolution 5, by or on behalf of Mr Jon Parker and any of his associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

RESOLUTION 6: Approval to issue Sproule Securities

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the allotment and issue of up to:

- *125 million Shares at a price per Share of \$0.01 (**Sproule Shares**); and*
- *62.5 million free-attaching options (**Sproule Options**),*

*(together the **Sproule Securities**) at any time during the period of 1 month after the date of the Meeting, by way of placements to Mr David Sproule or his nominees and on the terms set out in the Explanatory Memorandum."*

Note: If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Voting Exclusion Statement: The Company will, in accordance with Listing Rules 10.13 and 14.11, disregard any votes cast on Resolution 6, by or on behalf of Mr David Sproule and any of his associates, unless it is cast:

- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

RESOLUTION 7: Approval to issue TrailStone Shares to TrailStone

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to a maximum of 250 million Shares (**Max TS Shares**), to raise up to A\$2 million to TrailStone or its nominees on the terms set out in the Explanatory Memorandum."*

Voting Exclusion: The Company will, in accordance with Listing Rules 7.1 and 14.11, disregard any votes cast on Resolution 7, by and on behalf of TrailStone or any of its associates, unless it is cast:

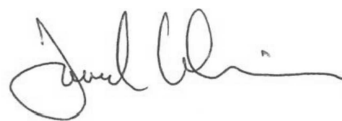
- (a) by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

Please refer to the Explanatory Memorandum attached to this Notice for more information regarding Resolutions 1 to 7. Please also see the next section of this Notice headed "Notes on Attendance and Voting at the Meeting" in relation to voting and proxies.

By order of the Board



Leni Pia Stanley
Joint Company Secretary
1 August 2014



David Kinsman
Joint Company Secretary
1 August 2014

NOTES ON ATTENDANCE AND VOTING AT THE MEETING

These notes form part of the Notice.

VOTING ENTITLEMENT

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Board has determined that the shareholders who are on the Company's share register at 7pm (AEST) on Tuesday, 2 September 2014 will be taken, for the purposes of the Extraordinary General Meeting, to be entitled to attend and vote at the meeting.

If you are not the registered holder of a relevant Share at that time, you will not be entitled to vote at the meeting.

VOTING AT THE MEETING

Ordinary resolutions require the support of more than 50% of the votes cast. All Resolutions to be considered at this Meeting are ordinary resolutions. There are no special resolutions proposed for this Meeting.

Every question arising at this Meeting will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Company's Constitution.

On a show of hands, every Shareholder who is present in person or by proxy, representative or attorney, will have one vote. Upon a poll, every person who is present in person or by proxy, representative or attorney, will have one vote for each Share held by that person.

APPOINTMENT OF PROXIES

A Shareholder who is entitled to attend and vote at the Meeting may appoint a person, who need not be a Shareholder of the Company, as the Shareholder's proxy to attend and vote on behalf of the Shareholder.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

A proxy form accompanies this Notice of Meeting. If you wish to appoint a proxy, please complete the proxy form and return it at least 48 hours before the Meeting, **being no later than 10:30 am (AEST) on Tuesday, 2 September 2014:**

- by post to: Computershare Investor Services Pty Limited GPO Box 242, Melbourne VIC 3001;
- by facsimile on: 1800 783 447 (within Australia) or + 61 3 9473 2555 (outside Australia); or
- online by visiting www.investorvote.com.au and logging in using the control number found on the front of your accompanying proxy form. Alternatively, you can scan the QR code, with your mobile device, located on the front of the proxy form and entering in your postcode. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website. Intermediary Online subscribers (Institutions/Custodians) may lodge their proxy instruction online by visiting www.intermediaryonline.com.

If the appointment is signed by an attorney, the power of attorney or a certified copy of it must be sent with the proxy form.

PROXIES AND CONDUCT OF MEETING

Pursuant to section 250BB of the Corporations Act, an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote as directed;
- b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
- c) if the proxy is the chairman of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote as directed; and
- d) if the proxy is not the chairman, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that as directed.

Under section 250BC of the Corporations Act, if:

- a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of a Company's members;
- b) the appointed proxy is not the chairman of the meeting;
- c) at the meeting, a poll is duly demanded on the resolution; and
- d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting; or
 - (ii) the proxy does not vote on the resolution,

the chairman of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on the Resolutions by marking either **For**, **Against** or **Abstain** on the voting form for each Resolution.

EXPLANATORY MEMORANDUM

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EXPLANATORY MEMORANDUM

IMPORTANT NOTICE

This Explanatory Memorandum forms part of the Notice and has been prepared for Shareholders in connection with the Meeting. It provides information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions contained in the Notice.

The Notice, Explanatory Memorandum, and Proxy Form are collectively referred to as the **Meeting Materials**. The Meeting Materials are all important documents that should be read carefully and in their entirety before Shareholders make a decision on how to vote at the Meeting.

This Explanatory Memorandum does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. Accordingly, it should not be relied on solely in determining how to vote on the Resolutions.

Capitalised terms used in this Explanatory Memorandum are defined in the Glossary.

All times and dates referred to in these Meeting Materials are times and dates in Queensland, Australia, and all currency references are to Australian dollars, unless otherwise indicated.

This Explanatory Memorandum is dated 1 August 2014.

RESPONSIBILITY FOR INFORMATION

The information contained in this Explanatory Memorandum has been prepared by the Company and is the responsibility of the Company.

A copy of this Notice and Explanatory Memorandum have been lodged with the ASX pursuant to the Listing Rules. Neither ASX, nor any of its officers take any responsibility for the contents of these documents.

THE RESOLUTIONS

At this Extraordinary General Meeting, Shareholders will be asked to vote on Resolutions relating to the recapitalisation of the Company. The Company's recapitalisation plans were contained in announcements released on 8 July 2014 ("A\$60M debt package plus equity raising to fully fund project pipeline") (**TrailStone Announcement**). These transactions are being undertaken to provide the Company with sufficient financing (both debt and equity) to discharge its current debt obligations to RMB and to develop the Mt Boppy and Marda Projects.

As set out in the TrailStone Announcement, the Company must raise at least \$5 million from parties other than TrailStone in order to have access to the \$60 million in debt funding and up to \$2 million in equity funding from TrailStone (**Equity Raise Condition**).

At the Meeting, Shareholders will be asked to consider the following Resolutions to enable the Company to satisfy the Equity Raise Condition:

- the ratification of the issue of Options to RMB on or about 24 March 2014 in order to refresh the Company's capacity to issue securities without shareholder approval under Listing Rules 7.1 and 7.1A (**Placement Capacity**);

- the ratification of the issue of Shares to Barranco Resources NL on or about 9 September 2013 in order to refresh the Company's capacity to issue securities without shareholder approval under Listing Rules 7.1 and 7.1A;
- the issue of up to a maximum of 650 million (650,000,000) fully paid ordinary Shares, at a minimum issue price per Share which is at least 80% of the average market price of the Company's Shares over the last five trading days prior to the day on which the issue is made and up to 325 million (325,000,000) free-attaching Options, in order to a raise up to A\$6.5 million (assuming an issue price of \$0.01 per Share);
- the issue of up to a maximum of 25 million Shares, at a price per Share of A\$0.01 and up to 12.5 million free-attaching Options to Mr Frank Terranova, being a director of Company (or his nominee) in order to raise up to A\$250,000;
- the issue of up to a maximum of 5 million Shares, at a price per Share of A\$0.01 and up to 2.5 million free-attaching Options to Mr Jon Parker, being a director of Company (or his nominee) in order to raise up to A\$50,000; and
- the issue of up to a maximum of 125 million Shares, at a price per Share of A\$0.01 and up to 62.5 million free-attaching Options to Mr David Sproule, being a director of Company (or his nominee) in order to raise up to A\$1.25 million;
- the issue of up to a maximum of 250 million Shares to TrailStone, capped at that number of shares to raise A\$2 million based on the issue price under the Capital Raising which is not known as at the date of these Meeting Materials. Please refer to the section relating Resolution 7 for further information.

WHAT IF I HAVE QUESTIONS?

If you have any questions, you should contact your broker, financial or legal advisor immediately. Alternatively you can call the Company's Managing Director, Frank Terranova or Chief Financial Officer, David Kinsman on +61 7 3236 2511.

BACKGROUND TO RESOLUTIONS

1.1 Background – TrailStone Transactions

On 8 July 2014, SXG announced (**TrailStone Announcement**) that it had entered into the definitive transaction documents with TrailStone in relation to a circa A\$62 million financing for SXG, comprising up to A\$2 million in equity funding and A\$60 million in debt finance funding from TrailStone (**TrailStone Transactions**).

1.2 Equity Raise Condition and purpose of Resolutions

The TrailStone Transactions are subject to a number of conditions (summarised in the TrailStone Announcement) (**TrailStone Conditions**). Most relevantly, the Company must first complete a capital raising to raise a minimum of A\$5 million from parties other than TrailStone (**Equity Raise Condition**).

Resolutions 3 – 6 (inclusive) are proposed specifically for the purpose of enabling SXG to conduct a capital raising (**Capital Raising**) and issue a sufficient number of securities to raise the funds required to satisfy the Equity Raise Condition.

If the Equity Raise Condition is met, TrailStone will also subscribe for SXG Shares with the actual number of Shares being dependant on the amount raised by SXG under the Capital Raising (**TrailStone Placement**). Further details are given below and shareholder approval is sought for the issue of up to A\$2 million worth of Shares in accordance with Resolution 7.

Resolutions 1 and 2 will refresh SXG's Placement Capacity, enabling it to raise further funds and issue equity securities under Listing Rule 7.1 without shareholder approval, if desired.

1.3 TrailStone Transactions – Overview

The TrailStone Transactions comprise:

a) **TrailStone Placement:** A\$1 – 2 million equity investment by TrailStone –

Subject to the Equity Raise Condition, TrailStone shall subscribe for Shares (**TrailStone Shares**) amounting to:

- A\$1 million – if SXG raises between A\$5 million and A\$8 million under the Capital Raising; and
- A\$2 million – if SXG raises over A\$8 million under the Capital Raising.

The TrailStone Shares will be issued at the same price as Shares issued pursuant to the Capital Raising.

b) **Prepaid Gold Facility:** Provision of A\$25 million prepaid gold facility to SXG by TrailStone –

To be repaid by the delivery of gold by SXG on a monthly basis over a period of 33 months following "Financial Close", pursuant to the terms of a prepaid gold forward agreement (**Prepaid Agreement**).

“Financial Close” will occur upon SXG satisfying all of the TrailStone Conditions, the last of which is expected to be satisfaction of the Equity Raise Condition.

This facility will be made available for immediate draw down upon Financial Close in one lump sum of A\$25 million (**Gold Prepayment Amount**). This facility is to be secured by way of a first ranking security package in favour of TrailStone.

c) **Credit Facility:** Provision of A\$35 million loan facility to SXG by TrailStone –

To be repaid by SXG in cash on or before 31 December 2019, and (subject to certain conditions) available for deferred drawn down 7 months after provision of the Gold Prepayment.

This facility is to be secured by way of a second ranking lien in favour of TrailStone (ranking only behind the security granted to secure the Prepaid Gold Facility).

d) **Warrants:** The issue of Warrants to TrailStone with options to enable those Warrants to be settled by the issue of Shares (subject to shareholder approval at a later meeting), or by SXG making a cash payment, to TrailStone –

The Warrants will be issued with the terms and conditions summarised in the TrailStone Announcement, with the number of Warrants to be determined based on the Warrant Strike Price. The basis for determining the Warrant Strike Price is set out below at Section 1.4.

As the Warrants are to be issued as further consideration for provision of the Credit Facility no additional funds will be raised from the issue of the Warrants.

More fulsome disclosure will be given to Shareholders in a notice of meeting that will be disseminated in due course to convene the 2014 Annual General Meeting, at which Shareholders will have the opportunity to vote on whether the Warrants may be settled by the issue of SXG Shares (failing which, they may be cash settled only).

1.4 **Warrant Strike Price and link to exercise price of free-attaching Options (to be issued or offered pursuant to Resolutions 3 – 6)**

a) **Warrant Strike Price**

The Warrant Strike Price is akin to the exercise price of the Warrants to be issued to TrailStone. It cannot be determined until Financial Close, however will be equal to 140% of the lower of:

- the “VWAP”; and
- the price per Share payable by TrailStone under the TrailStone Placement Agreement, (noting that this is determined as price payable for Shares issued to other parties to satisfy the Equity Raise Condition, which the Company currently estimates to be \$0.01 per Share on average).

The “VWAP” is the volume weighted average Share price for the Company’s Ordinary Shares on the ASX for the 30 trading day period ending on the trading day immediately preceding the date on which the Gold Prepayment Amount is paid to the Company, based on the price and volume information published by Bloomberg.

Whilst the VWAP will not be known prior to Financial Close, based on an estimated issue

price of \$0.01 per Share, it is estimated that the maximum Warrant Strike Price will therefore be \$0.014, (being 140% of the issue price).

b) Exercise Price of free-attaching Options (to be issued or offered pursuant to Resolutions 3 – 6)

SXG and TrailStone have agreed that any free-attaching Options offered under the Capital Raising will have the same key terms (relating to exercise and expiry date) as the Warrants to be issued to TrailStone.

The Exercise Price of any free-attaching Options to be issued or offered pursuant to any of Resolutions 3 – 6 will therefore be:

- the same as the Warrant Strike Price;
- which will be a maximum of \$0.014;
- but may be less if the VWAP (to be determined after Financial Close) would result in a lower strike price. SXG will announce the VWAP and confirm the Exercise Price as soon as practicable following Financial Close.

c) Expiry Date of free-attaching Options (to be issued or offered pursuant to Resolutions 3 – 6)

The Warrants to be issued to TrailStone will have a maturity date of 31 December 2019.

The Exercise Price of any free-attaching Options to be issued or offered pursuant to any of Resolutions 3 – 6 will therefore also be 31 December 2019.

1.5 Impact (and dilutive effective) of Resolutions on issued capital

A pro forma issued capital table demonstrating the impact of all of the Resolutions contemplated in the accompanying Notice is set out below.

Securities	Shares (Number)	Shares (Cumulative)	% (at Issue)	% (After issue of all Shares per Resolutions)	Options (Number)	Options (Cumulative)	% (at issue)	% (Fully diluted*)
Current (as at the date of this Notice) (Including Resolution 1 and 2 ratifications)	887,450,815	887,450,815	100%	46%	207,395,829	207,395,829	100%	43%
Issue of Future Placement Shares (if Resolution 3 approved)	650,000,000	1,537,450,815	42%	33%	325,000,000	532,395,829	61%	38%
Issue of Terranova Shares (if Resolution 4 approved)	25,000,000	1,562,450,815	2%	1%	12,500,000	544,895,829	2%	1%
Issue of Parker Shares (if Resolution 5 approved)	5,000,000	1,567,450,815	0%	0%	2,500,000	547,395,829	0%	0%
Issue of Sproule Shares (if Resolution 6 approved)	125,000,000	1,692,450,815	7%	6%	62,500,000	609,895,829	10%	7%
Issue of TrailStone Shares (if Resolution 7 approved)	250,000,000	1,942,450,815	13%	13%	Nil	609,895,829	Nil	10%

**After issue of all securities contemplated by the Resolutions on a fully diluted basis. Please also note this includes 3,200,000 Options expiring on 31 July 2014*

1.6 Use of funds from Capital Raising (Resolutions 3 – 7)

Use of funds disclosure is provided in respect of each Resolution in subsequent Sections of this Explanatory Memorandum corresponding to each Resolution.

However, it should be noted that Resolutions 3 – 7 are for the purpose of enabling SXG to conduct the Capital Raising required to satisfy the Equity Raise Condition. The Company expects to raise a minimum of A\$5 million from the Capital Raising.

The use of funds from each of these Resolutions is therefore common and (assuming at least \$5 million is raised) will be combined with the amounts available from the Prepaid Gold Facility and existing cash reserves to:

- Repay the existing debt facility with RMB;
- Undertake development of the Mt Boppy Gold Project; and
- Contribute to corporate overheads, exploration programs and other working capital.

If SXG raises an amount in excess of A\$5 million, the additional funds shall be applied to fund the development of the Mt Boppy and/or Marda gold mine projects, corporate overheads and working capital.

The Directors reserve the right to vary the application of funds in the best interests of all Shareholders and to proceed with any placements (either as proposed in the Resolutions or otherwise within the Company's Placement Capacity) in circumstances where the aggregate funds raised will not be sufficient to satisfy the Equity Raise Condition.

1.7 Participation of Directors in Capital Raising and Shareholder approval requirements

Rationale for Director participation

Resolutions 3 – 6 are proposed to enable the Company to conduct the Capital Raising and satisfy the Equity Raise Condition.

In order to support these objectives, it is anticipated that each Director of SXG (as proposed by Resolutions 4 – 6) will participate in the Capital Raising.

Participation on similar terms as other parties

This participation is proposed to be on similar terms as all other third parties (who are not yet known) who may participate in the Capital Raising, subject to Shareholders approving Resolution 3.

There is no guarantee that SXG's Share price will remain constant and on that basis the issue price per Share proposed by Resolution 3 (in relation to the Future Placement Securities) provides the Company with flexibility to complete the Capital Raising (and thereby satisfy the Equity Raise Condition) at a lower Share price if necessary.

However, the Directors are committed to subscribe for Shares at set issue price of \$0.01 per Share with up to the respective number of free-attaching Options. This issue price is equivalent to 100% of the price per Share as at ASX market close on 23 July 2014 and Shareholder approval for the issues is being sought on this basis under Resolutions 4 – 6 (inclusive).

Shareholder approval requirements – Directors

The Directors are related parties of SXG by virtue of their positions as directors. The issue of shares to related parties requires Shareholder approval under Listing Rule 10.11.

The granting of a “financial benefit” (which includes the issue of shares) to a related party also requires Shareholder approval under the related party provisions of the Corporations Act (contained in Chapter 2E) *unless a relevant exception applies*.

Section 210 of the Corporations Act provides such an exception where the benefit is given on arm’s length terms (**Arm’s Length Exception**). In determining whether the Arm’s Length Exception applies, SXG’s Board has considered each of the factors set out in the table below.

Arm's Length Exception Assessment Table

Factor	Board's Assessment
How the terms of the overall transaction compare with those of any comparable transactions on an arm's length basis	<p>As at the date of this Notice, no placements have yet been confirmed by formal agreement in writing, however these are being negotiated on arm's length terms. Under Resolution 3, shareholder approval is being sought for the issue of the Future Placement Shares at no less than a minimum issue price.</p> <p>The Directors will participate in the Capital Raising on similar terms as those placees. However, they will subscribe based on an issue price of \$0.01 per Share, plus free-attaching Options to be determined on the same basis as for third parties (capped up to the respective maximum number of Options for which approval is being sought). As noted this price is equivalent to the ASX market close price per Share of \$0.01 per Share on 23 July 2014.</p>
The nature and content of the bargaining process	<p>The structure of the Capital Raising (including issue price of Shares and basis for determining the number of free-attaching Options) was largely determined by the Company's negotiations with proposed third party participants.</p> <p>The Directors did not negotiate with the Company or bring their own influence to bear in relation to the pricing of their Shares or the number of free-attaching Options they would receive. Rather, the Directors simply agreed to invest on similar terms as a result of the preliminary negotiations with potential third party investors.</p>
The impact of the transaction on the Company	<p>The participation of the Directors will increase the Company's chances of satisfying the Equity Raise Condition. The dilutionary impact on existing Shareholders would be the same irrespective of whether these Shares and Options were placed with the Directors or any other party.</p>
Any other options available to the Company	<p>The Company has carefully considered its capital raising options having regard to the timeframe within which it must satisfy the Equity Raise Condition in order to have access to the further TrailStone funding. It considers that the participation of its Directors adds certainty to</p>

Factor	Board's Assessment
	the Capital Raising and is in the best interests of the Company and its Shareholders.
Any expert advice received by the Company	The Company has received advice from its lawyers that it is appropriate to rely on the arm's length exception in these circumstances where the Directors are participating in the Capital Raising on largely the same terms as other potential participants and will not receive any additional benefit in doing so.

On the basis of the Arm's Length Exception Assessment Table, the Directors consider that the Arm's Length Exception is available to the Company and that it is appropriate to rely upon it in these circumstances.

Accordingly, in relation to the participation of the Directors or their nominees in the Capital Raising, SXG:

- is seeking Shareholder approval pursuant to Listing Rule 10.11; and
- is not seeking Shareholder approval pursuant to the related party provisions of the Corporations Act (contained in Chapter 2E) on the basis of the Arm's Length Exception.

RESOLUTION 1 Ratification of prior Options issued to RMB**1. Introduction**

For the purpose of listing Rule 7.4, we are seeking Shareholder approval for Resolution 1 referred to in the accompanying Notice.

2. The Resolution and Explanation

Resolution 1 seeks shareholder ratification pursuant to Listing Rule 7.4 for the issue of a total of 63,775,510 Options to subscribe for fully paid ordinary shares in the capital of SXG to RMB on 24 March 2014 (**RMB Options**) as detailed below.

ASX Listing Rule 7.1 prohibits (subject to certain exceptions such as pro-rata issues and bonus issues) SXG from issuing or agreeing to issue new securities representing more than 15% of its total issued ordinary shares during the following 12 month period, without shareholder approval (**15% Threshold**).

ASX Listing Rule 7.4 permits an issue of shares to be approved retrospectively. It provides that an issue of securities is deemed to have been made with shareholder approval if Listing Rule 7.1 is not breached at the time the securities were issued and shareholders subsequently approve (ratify) the issue.

By Shareholders approving the issue of the RMB Options it enables SXG to give the Board flexibility to issue further securities up to the 15% Threshold over the following 12 month period. Once the issue of the total number of 63,775,510 RMB Options is approved, these securities will not be counted as a new issue for the purposes of the 15% Threshold.

3. Listing Rule Requirements**3.1 Information required by the Listing Rules**

Listing Rule 7.5 requires that the information listed below be provided to Shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.4:

Item	Information
Number of securities issued	63,775,510 Options.
Issue Price	Nil. The RMB Options were issued as partial consideration for the refinancing of the RMB Facility, as detailed in the ASX announcement released on 25 March 2014, titled "Funding Update".
Terms of the securities	<p>The RMB Options:</p> <ul style="list-style-type: none"> • have an exercise price of 1.96 cents per Option; • have an expiry date of 24 March 2016; • are unlisted, and SXG has not applied for

Item	Information
	<p>quotation of the RMB Options;</p> <ul style="list-style-type: none"> • are exercisable over fully paid ordinary shares in the Company; • Shares issued upon exercise of the RMB Options will rank equally with all existing Shares on issue for which quotation on the ASX will be sought, • there are no participating rights or entitlements inherent in the RMB Options and RMB will not be entitled to participate in any new issue to Shareholders of the Company during the currency of the RMB Options (ie without exercising the RMB Option); • if there is any reorganisation of the capital of the Company including, without limitation, a consolidation or subdivision of any of the issued capital of the Company, or a pro rata bonus issue of Shares, the RMB Options must be reorganised in the way required under the Listing Rules; and • RMB's rights may be changed to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
Name of allottees or basis on which determined	RMB
Use of funds	No funds were raised from the issue of the RMB Options.

3.2 Related party information

RMB is not a related party of SXG.

4. Effect of the Resolution

Shareholder approval was not required for the issue of the RMB Options. If Shareholder approval is not obtained for Resolution 1, the issue of the RMB Options will not be impacted or changed.

However, if Resolution 1 is not passed, the RMB Options issued on 24 March 2014 will count toward the calculation of the 15% Threshold for the purpose of Listing Rule 7.1. This means that SXG's capacity to issue equity securities without shareholder approval will remain diminished by an amount corresponding to the RMB Options until 24 March 2015 (being 12 months after their issue).

The Directors wish to maximise the extent to which SXG can issue equity securities without shareholder approval in order that SXG has capacity to complete the TrailStone Placement, has sufficient capacity and flexibility to raise the funds required to satisfy the Equity Raise Condition and any future funding requirements.

5. Directors' Recommendation

No members of the Board have any personal interests in the outcome of Resolution 1. Accordingly, the Board unanimously recommends that eligible Shareholders vote in favour of Resolution 1.

Each Director intends to vote all Shares they own or control the right to vote in favour of Resolution 1.

RESOLUTION 2 Ratification of prior Shares issued to Barranco**1. Introduction**

For the purpose of listing Rule 7.4, we are seeking Shareholder approval for Resolution 2 referred to in the accompanying Notice.

2. The Resolution and Explanation

Resolution 1 seeks shareholder ratification pursuant to Listing Rule 7.4 for the issue of a total of 20,000,000 fully paid ordinary shares in the capital of SXG to Barranco Resources NL on 9 September 2013 (**Barranco Shares**) as detailed below.

ASX Listing Rule 7.1 prohibits (subject to certain exceptions such as pro-rata issues and bonus issues) SXG from issuing or agreeing to issue new securities representing more than 15% of its total issued ordinary shares during the following 12 month period, without shareholder approval (**15% Threshold**).

ASX Listing Rule 7.4 permits an issue of shares to be approved retrospectively. It provides that an issue of securities is deemed to have been made with shareholder approval if Listing Rule 7.1 is not breached at the time the securities were issued and shareholders subsequently approve (ratify) the issue.

By Shareholders approving the issue of the Barranco Shares it enables SXG to give the Board flexibility to issue further securities up to the 15% Threshold over the following 12 month period. Once the issue of the total number of 20,000,000 Shares is approved, these securities will not be counted as a new issue for the purposes of the 15% Threshold.

3. Listing Rule Requirements**3.1 Information required by the Listing Rules**

Listing Rule 7.5 requires that the information listed below be provided to Shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.4:

Item	Information
Number of securities issued	20,000,000 Shares
Issue Price	<p>Nil.</p> <p>(Please note that the Appendix 3B in respect of the issue of 9 September 2013 lists the issue price/consideration as \$0.018 per share being the prevailing market price at the time</p> <p>The Barranco Shares were issued as partial consideration for the purchase by SXG of tenements and royalty interests relating to the Red Legs and Die Hardy gold deposits upon exercise of an option, as detailed in the ASX announcement "SXG Cements Marda Gold Project Resources with Acquisition of Two Nearby Gold Deposits" released on 10 September 2013.</p>

Item	Information
Terms of the securities	The Barranco Shares are quoted and rank equally in all respects with all existing Shares.
Name of allottees or basis on which determined	Barranco Resources NL
Use of funds	No funds were raised from the issue of the Barranco Shares.

3.2 Related party information

Barranco Resources NL is not a related party of SXG.

6. Effect of the Resolution

Shareholder approval was not required for the issue of the Barranco Shares. If Shareholder approval is not obtained for Resolution 2, the issue of the Barranco Shares will not be impacted or changed.

However, if Resolution 2 is not passed, the Barranco Shares issued on 9 September 2013 will count toward the calculation of the 15% Threshold for the purpose of Listing Rule 7.1. This means that SXG's capacity to issue equity securities without shareholder approval will remain diminished by an amount corresponding to the Barranco Shares until 8 September 2014 (being 12 months after their issue).

The Directors wish to maximise the extent to which SXG can issue equity securities without shareholder approval in order that SXG has capacity to complete the TrailStone Placement, has sufficient capacity and flexibility to raise the funds required to satisfy the Equity Raise Condition and any future funding requirements.

4. Directors' Recommendation

No members of the Board have any personal interests in the outcome of Resolution 2. Accordingly, the Board unanimously recommends that eligible Shareholders vote in favour of Resolution 2.

Each Director intends to vote all Shares they own or control the right to vote in favour of Resolution 2.

RESOLUTION 3 Approval to issue Future Placement Securities**1. Introduction**

For the purpose of listing Rule 7.1, we are seeking Shareholder approval for Resolution 3 referred to in the accompanying Notice.

2. The Resolution and Explanation

As set out in Section 1 of this Explanatory Memorandum, Resolution 3 is proposed as part of a package of resolutions (Resolutions 3 – 6) for the purpose of enabling SXG to conduct the Capital Raising required to satisfy the Equity Raise Condition.

Specifically, Resolution 3 will enable SXG to issue up to a maximum of 650 million (650,000,000) fully paid ordinary Shares, at a minimum issue price per Share which is at least 80% of the average market price of the Company's Shares over the last five trading days prior to the day on which the issue is made and up to 325 million (325,000,000) free-attaching Options.

Assuming an issue price of \$0.01 per Share, this would enable the Company to raise up to A\$6.5 million in full satisfaction of the Equity Raise Condition. The minimum of A\$5 million to be raised to satisfy the Equity Raise Condition may be raised under a proposed offer to existing Shareholders, the exact terms of which to be released in due course in a formal disclosure document or other offer document prepared in accordance with the Corporations Act and Listing Rules (**Shareholder Offer**) and/or from investors that may be identified by the Company or its advisers that fall within one or more of the classes of exemptions specified in Section 708 of the Corporations Act (for which no disclosure is required) (together the **Future Placees**).

The Directors may offer the free-attaching Options as a means of incentivising the Future Placees to take up the placement and consistent with the terms offered to others participating in the Capital Raising.

3. Listing Rule Requirements**3.1 Information required by the Listing Rules**

Listing Rule 7.3 requires that the information listed below be provided to Shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.1:

Item	Future Placement Shares	Future Placement Options
Maximum number of securities to be issued	650 million (650,000,000) Shares. SXG is not bound to issue the maximum number of Future Placement Shares for which authority has been granted and may, in its absolute discretion, issue such lesser number as it may determine from time to time so long as such issuance falls within the period specified in the row below.	325 million (325,000,000) free-attaching Options. SXG is not bound to issue the maximum number of Future Placement Options for which authority has been granted and may, in its absolute discretion, issue such lesser number (on the basis of Future Placement Shares issued) so long as such issuance falls within

		the period specified in the row below.
Issue date / date by which the entity will issue the securities	Both the Future Placement Shares and the Future Placement Options may be issued progressively, as soon as practicable after the date of the Meeting, and in any event not later than 5 December 2014, being 3 months after the date of the Meeting.	
Issue Price	<p>The Future Placement Shares will be issued at an issue price which is at least 80% of the average market price of SXG's Shares over the last 5 trading days prior to the day on which the issue is made.</p> <p>As set out in Section 1.7 of this Explanatory Memorandum, it is the Company's intention that this will be a price equal to the issue price of all other Shares being offered as part of the Capital Raising. However, this will be dependent on any movements in SXG's Share price between the date of these Meeting Materials and the date on which any Future Placement Shares are actually issued.</p>	Nil. The Future Placement Options are "free-attaching" options, meaning they are issued for no consideration as a bonus for subscribing for the Future Placement Shares.
Name of persons to whom the securities will be issued	<p>Both the Future Placement Shares and the Future Placement Options will be issued to:</p> <ul style="list-style-type: none"> Shareholders who may participate under the Shareholder Offer; investors that may be identified by the Company or its advisers that fall within one or more of the classes of exemptions specified in Section 708 of the Corporations Act (for which no disclosure is required). <p>SXG reserves the right to pay any broker or other adviser a commission or fee on all monies raised from any Future Placees introduced by that adviser.</p>	
Terms of the securities	SXG will apply for quotation of the Future Placement Shares which shall rank equally in all respects with all existing Shares.	<p>The background to the terms of the Future Placement Options is set out in Section 1.4 of this Explanatory Memorandum.</p> <p>The Future Placement Options:</p> <ul style="list-style-type: none"> will have an exercise price equivalent to the Warrant Strike Price of the Warrants to be issued to TrailStone, which will be a maximum of \$0.014, but may be a lesser amount (as further explained at Section 1.4b)); will have an expiry date of 31 December 2019 (see Section 1.4c));

		<ul style="list-style-type: none"> • will be unlisted, and SXG will not apply for quotation of the Future Placement Options; • will be exercisable over fully paid ordinary shares in the Company; and • Shares issued upon exercise of any Future Placement Options will rank equally with all existing Shares on issue for which quotation on the ASX will be sought; • there are no participating rights or entitlements inherent in the Future Placement Options and holders will not be entitled to participate in any new issue to Shareholders of the Company during the currency of the Bonus Options (i.e. without exercising the Future Placement Option); • if there is any reorganisation of the capital of the Company including, without limitation, a consolidation or subdivision of any of the issued capital of the Company, or a pro rata bonus issue of Shares, the Future Placement Options must be reorganised in the way required under the Listing Rules; and • the rights of the holder may be changed to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
Use of funds	The funds raised from the issue of any Future Placement Shares, together with any other funds raised under the Capital Raising shall be applied in the manner set out in Section 1.6 of this Explanatory Memorandum.	No additional funds will be raised from the Future Placement Options.

3.2 Related party information

As Shareholder approval is only being sought under Listing Rule 7.1, the Future Placement Securities cannot be issued to related parties of SXG as defined in Listing Rule 10.11, including (but not limited) to Directors and their spouses, entities controlled by Directors and controlling Shareholders of SXG.

SXG will ensure that none of the Future Placees are related parties of SXG.

4. Effect of the Resolution

If passed, Resolution 3 will:

- allow SXG to issue up to 650 million Shares to raise funds which will contribute toward satisfaction of the Equity Raise Condition;
- thereby assist SXG to gain access to further debt and equity funding from TrailStone of up to \$62 million (as set out in Section 1), which SXG intends to utilise to pay-out the RMB Facility by its due date (of 24 September 2014) and develop its Mt Boppy Project and Marda Project.

The issue of up to 650 million Future Placement Shares will have a dilutive effect on the existing Shareholders. The issue of the Future Placement Options may also have a dilutive effect on existing Shareholders if those Options are exercised in future (which will likely only occur if SXG's Share price increases above the Exercise Price). Refer to the table at Section 1.5 in terms of the dilutive effect of Resolution 3.

Accordingly, each existing Shareholder's percentage ownership in SXG will be reduced upon the issuance of the Future Placement Shares (and upon the issue of any Shares upon exercise of any Future Placement Options), reducing the existing Shareholder's percentage ownership in SXG and potentially, their control over the affairs of the Company.

If Resolution 3 is not passed:

- the amount raised by SXG in satisfaction of the Equity Raise Condition will be reduced as it will not be able to issue Future Placement Shares in excess of its existing available Placement Capacity in accordance with Listing Rule 7.1 and/or 7.1A;
- which may result in SXG being unable to satisfy the Equity Raise Condition and if alternative funds were not able to be raised before 30 September 2014, SXG will not have access to the additional TrailStone debt and equity funding. In that event, SXG may not be able to pay-out the RMB Facility by its due date (of 24 September 2014) and will not have sufficient funds to proceed with its development plans in respect of its Mt Boppy Project and Marda Project.

5. Directors' Recommendation

No members of the Board have any personal interests in the outcome of Resolution 3. Accordingly, the Board unanimously recommends that eligible Shareholders vote in favour of Resolution 3.

Each Director intends to vote all Shares they own or control the right to vote in favour of Resolution 3.

RESOLUTIONS 4 – 6 Approval to issue SXG Shares and Options to Directors**1. Introduction****1.1 ASX Listing Rules**

For the purposes of Listing Rule 10.11, Resolutions 4 – 6 seek Shareholder approval for the issue of up to the maximum number of Shares and Options by the Company (collectively the Director Securities) to the Directors (or their nominees or associated entities associated), in the proportions set out in the table below (**Director Allocation Table**).

Resolution	Director	Position	Maximum number of Shares	Maximum number of Options
Resolution 4	Mr Frank Terranova	Executive Managing Director (Executive) (Appointed as Non-executive Director on 20 August 2013 and as Executive Managing Director on 19 September 2013).	<i>25 million</i> <i>(25,000,000)</i>	<i>12.5 million</i> <i>(12,500,000)</i>
Resolution 5	Mr Jon Parker	Non-Executive Chairman (Appointed as Non-executive Director on 20 August 2013 and as Chairman on 23 September 2013).	<i>5 million</i> <i>(5,000,000)</i>	<i>2.5 million</i> <i>(2,500,000)</i>
Resolution 6	Mr David Sproule	Non-Executive Director (Appointed as Non-executive Director on 20 August 2013).	<i>125 million</i> <i>(125,000,000)</i>	<i>62.5 million</i> <i>(62,500,000)</i>
Collectively the:			“Director Shares”	“Director Options”

1.2 Corporations Act – reliance on Arm’s Length Exception

As set out in Section 1.7 of this Explanatory Memorandum:

- related party approval is also required under Chapter 2E of the Corporations Act unless a relevant exception applies; and
- the Board has determined that it is appropriate in the circumstances to rely on the Arm’s Length Exception (on the basis of the assessment summarised in the Arm’s Length Exception Assessment Table at Section 1.7).

As such, Shareholder approval is not being sought for the purposes of Chapter 2E of the Corporations Act and this Section of the Explanatory Memorandum contains information required in relation to the approval sought for Listing Rule 10.11 only.

2. The Resolutions and Explanation

As set out in Section 1 of this Explanatory Memorandum, Resolutions 4 - 6 are proposed as part of a package of resolutions (Resolutions 3 – 6) for the purpose of enabling SXG to conduct the Capital Raising required to satisfy the Equity Raise Condition.

The Directors wish to contribute to the Capital Raising in order to maximise the Company's ability to satisfy the Equity Raise Condition and gain access to the TrailStone funding.

Specifically:

- Resolution 4 will enable SXG to raise up to \$250,000 of the \$5 million required to satisfy the Equity Raise Condition, through the issue of up to a maximum of 25 million Shares and 12.5 million free-attaching Options to Mr Terranova;
- Resolution 5 will enable SXG to raise up to \$50,000 of the \$5 million required to satisfy the Equity Raise Condition, through the issue of up to a maximum of 5 million Shares and 2.5 million free-attaching Options to Mr Parker; and
- Resolution 6 will enable SXG to raise up to \$1.25 million of the \$5 million required to satisfy the Equity Raise Condition, through the issue of up to a maximum of 125 million Shares and 62.5 million free-attaching Options to Mr Sproule.

It is anticipated that each of the above participating Directors will enter into legally binding placement agreements with SXG (**Director Placement Agreements**), subject to receipt of Shareholder approval.

The Directors may offer the free-attaching Options on the basis of the number of Shares subscribed for by the participating Directors consistent with the terms offered to others participating in the Capital Raising.

3. Listing Rule Requirements

Listing Rule 10.11 prohibits the issue of securities to a director of a company unless the approval of the shareholders of the company is obtained.

Listing Rule 7.1 broadly prohibits a company from issuing more than 15% of its shares in any one year without shareholder approval. Pursuant to Listing Rule 7.2 (Exception 14), if shareholder approval is given under Listing Rule 10.11, further approval is not required for the purposes of Listing Rule 7.1.

In compliance with the requirements of Listing Rule 10.13, Shareholders are advised of the following information in relation to the Director Securities proposed to be issued pursuant to Resolutions 4 – 6:

Item	Director Shares	Director Options
Name of person/entity to receive the Director Securities	<p>The Director Shares to be allocated to:</p> <ul style="list-style-type: none"> • Mr Terranova or an entity associated with him (Resolution 4); • Mr Parker or an entity associated with him (Resolution 5); • Mr Sproule or an entity associated with him (Resolution 6). 	<p>The Director Options to be allocated to:</p> <ul style="list-style-type: none"> • Mr Terranova or an entity associated with him (Resolution 4); • Mr Parker or an entity associated with him (Resolution 5); • Mr Sproule or an entity associated with him (Resolution 6).
Maximum number of Director Securities to be issued	<p>The maximum number of Director Shares will be issued in the proportions shown:</p> <ul style="list-style-type: none"> • Terranova Shares – 25 million (Resolution 4); • Parker Shares – 5 million (Resolution 5); • Sproule Shares – 125 million (Resolution 6). 	<p>The Director Options will be issued in proportions shown:</p> <ul style="list-style-type: none"> • Terranova Options – 12.5 million (Resolution 4); • Parker Options – 2.5 million (Resolution 5); • Sproule Options – 62.5 million (Resolution 6).
Issue date / date by which the entity will issue the securities	<p>All of the Director Shares and the Director Options may be issued as soon as practicable after the date of the Meeting, and in any event not later than 4 October 2014, being 1 month after the date of the Meeting. The allotments are proposed to occur in one tranche.</p>	
Relationship of recipient to Director	<ul style="list-style-type: none"> • Mr Terranova or an entity which is a related entity or otherwise associated with him will be the recipient of the Terranova Shares and/or Terranova Options. • Mr Parker or an entity which is a related entity or otherwise associated with him will be the recipient of the Parker Shares and/or Parker Options. • Mr Sproule or an entity which is a related entity or otherwise associated with him will be the recipient of the Sproule Shares and/or Sproule Options. 	
Issue price	<p>All of the Director Shares (Resolutions 4 – 6) will be issued at an issue price of \$0.01 per Share.</p>	<p>Nil. All of the Director Options (Resolutions 4 - 6) are “free-attaching” options, meaning they are issued for no consideration as a bonus for subscribing for the Director Shares.</p>
Terms of the securities	<p>SXG will apply for quotation of the Director Shares which shall rank equally in all respects with all existing Shares.</p>	<p>The background to the terms of the Director Options is set out in Section 1.4 of this Explanatory Memorandum.</p> <p>The Director Options:</p> <ul style="list-style-type: none"> • have an exercise price equivalent to the Warrant Strike Price of the Warrants to be issued to TrailStone, which will be a maximum of \$0.014,

Item	Director Shares	Director Options
		<p>but may be a lesser amount (as further explained at Section 1.4b));</p> <ul style="list-style-type: none"> • have an expiry date of 31 December 2019 (see Section 1.4c)); • are unlisted, and SXG will not apply for quotation of the Director Options; • are exercisable over fully paid ordinary shares in the Company; and • Shares issued upon exercise of the Director Options will rank equally with all existing Shares on issue for which quotation on the ASX will be sought; • there are no participating rights or entitlements inherent in the Director Options and holders will not be entitled to participate in any new issue to Shareholders of the Company during the currency of the Director Options (ie without exercising the Director Options); • if there is any reorganisation of the capital of the Company including, without limitation, a consolidation or subdivision of any of the issued capital of the Company, or a pro rata bonus issue of Shares, the Director Options must be reorganised in the way required under the Listing Rules; and • the rights of the holder may be changed to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
Use of funds	The funds raised from the issue of the Director Shares, together with any other funds raised under the Capital Raising shall be applied in the manner set out in Section 1.6 of this Explanatory Memorandum.	No additional funds will be raised from the Director Options.

4. Effect of the Resolution

4.1 Effect on Director Placement Agreements

As noted, the Directors may enter into legally binding Director Placement Agreements with the Company confirming their commitment to subscribe for up to the maximum number of Director Shares and Director Options as set out above, subject to Shareholders passing Resolutions 4 - 6.

If Resolutions 4 - 6 are not passed, the Company will be unable to proceed to issue the Director Securities and any Director Placement Agreements will terminate.

4.2 Impact on Equity Raise Condition and access to TrailStone funding

If passed, Resolution 4 – 6 will:

- allow SXG to issue up to a maximum of 155 million (155,000,000) of Shares to the Directors (combined) to raise funds of up to \$1.55 million in total which will contribute toward satisfaction of the Equity Raise Condition;
- thereby assist SXG to gain access to further debt and equity funding from TrailStone of up to \$62 million (as set out in Section 1), which SXG intends to utilise to pay-out the RMB Facility by its due date (of 24 September 2014) and develop its Mt Boppy Project and Marda Project.

If Resolutions 4 - 6 are not passed the Directors may not participate in the Capital Raising.

4.3 Dilutive effect of issuing Director Securities

If Shareholders approve the issue of the Director Shares and Directors participant to their maximum allowances, the issue is not anticipated to have any negative dilutionary impact on all other Shareholders' holdings in the Company by comparison to current percentage holdings overall (NB this assumes that all other Resolutions under this Notice are approved and all relevant shares are issued and no existing Options are exercised prior to the date of issue).

If Shareholders approve the issue of the Director Shares, the issue will result in a dilution of all other Shareholder holdings in the Company of approximately 8.7% in total (assuming that none of the existing Options are exercised prior to the date of issue and on the basis that all other Resolutions under this Notice are approved and all relevant shares are issued).

If Shareholders approve the issue of the Director Options, they may also have a dilutive effect on existing Shareholders if those Options are exercised in future (which will likely only occur if SXG's Share price increases above the Exercise Price). Refer to the table at Section 1.5 in terms of the dilutive effect of Resolutions 4 – 6.

At the date of this Explanatory Memorandum, the issued capital of SXG is 887,450,815. The pro forma issued capital table at Section 1.5 above sets out the issued capital of the Company assuming that all Shares contemplated by the accompanying Notice are approved by Shareholders and subsequently issued by SXG within the timeframes contemplated.

The table below sets out the issued capital of SXG if the issue of the Director Shares is approved and Directors subscribe for the maximum amount and no other securities (including the securities proposed to be issued under any other Resolution) are issued by the Company in the meantime.

Description	Shares
Existing SXG Shares on issue	887,450,815
Existing Options on issue (assuming all will be exercised)	207,395,829
Maximum number of Director Shares proposed to be issued	155,000,000
Maximum number of Director Options proposed to be issued	77,500,000
Number of SXG Shares on issue following the issue of the Director Shares (undiluted basis)	1,042,450,815
Maximum number of SXG Shares on issue following the exercise of all Options, including the Director Options (fully diluted)	1,327,346,644

Assuming Resolutions 4 – 6 are approved by Shareholders and Directors subscribe for the maximum amount, the Directors will be entitled to the following securities in the Company:

Director	Shares currently held	Options currently held	Total Shares held after issue of Director Shares	% (undiluted basis)*	Total Options held after issue of Director Options
Jon Parker	1,375,000	Nil	6,375,000	0.328%	2,500,000
Frank Terranova	20,934,828	40,000,000	45,934,828	2.365%	52,500,000
David Sproule	262,843,982	Nil	387,843,982	19.967%	62,500,000

*Assuming all Resolutions in this Notice are approved and all relevant shares are issued and SXG's total Shares on issue is 1,942,450,815 Shares.

4.4 Sproule Securities

As at the date of these Meeting Materials, Mr David Sproule and his associates have a relevant interest in 262,843,982 voting shares in SXG, representing approximately 29.62% voting power. Under the Corporations Act, Mr Sproule and his associates may only increase this relevant interest by an amount equivalent to 3% over a 6 month period (**3% Creep Rule**), or if another specific exception (such as Shareholder approval) applies.

The number of Sproule Securities to be allocated to Mr Sproule has been determined having regard to these restrictions.

Provided the Company is able to issue the securities contemplated by Resolutions 3 – 7 (which all relate to the issue of new securities to conduct the Capital Raising) prior to (or simultaneously with) the Sproule Securities then the relevant interest of Mr Sproule (together with his associates) will actually decrease to approximately just under 16%.

If the Company is not able to issue some or all of the other securities contemplated by Resolutions 3 - 7 prior to the issue of the Sproule Securities, then the number of Sproule Securities to be issued to Mr Sproule (or his nominees) shall be scaled back to ensure the maximum amount permitted by the 3% Creep Rule is not exceeded at any time.

5. Directors' Recommendation

The Directors make the following recommendations and advise of their voting intentions in relation to Resolutions 4 – 6:

Resolution	Mr Terranova	Mr Parker	Mr Sproule
Resolution 4 (Terranova Securities)	Mr Terranova has a material personal interest in the outcome of this resolution and therefore makes no recommendation. He is excluded from voting his Shares on Resolution 4.	Neither Mr Parker nor Mr Sproule have a material personal interest in the outcome of Resolution 4 and each: <ul style="list-style-type: none"> recommends that eligible Shareholders vote in favour of Resolution 4; and advises that he intends to vote all Shares he owns or controls the right to vote in favour of Resolution 4. 	
Resolution 5 (Parker Securities)	Mr Terranova does not have a material personal interest in the outcome of Resolution 5 and: <ul style="list-style-type: none"> recommends that eligible Shareholders vote in favour of Resolution 5; and advises that he intends to vote all Shares he owns or controls the right to vote in favour of Resolution 5. 	Mr Parker has a material personal interest in the outcome of this resolution and therefore makes no recommendation. He is excluded from voting his Shares on Resolution 5.	Mr Sproule does not have a material personal interest in the outcome of Resolution 5 and: <ul style="list-style-type: none"> recommends that eligible Shareholders vote in favour of Resolution 5; and advises that he intends to vote all Shares he owns or controls the right to vote in favour of Resolution 5.
Resolution 6 (Sproule Securities)	Neither Mr Terranova nor Mr Parker have a material personal interest in the outcome of Resolution 6 and each: <ul style="list-style-type: none"> recommends that eligible Shareholders 		Mr Sproule has a material personal interest in the outcome of this resolution and therefore makes no

Resolution	Mr Terranova	Mr Parker	Mr Sproule
	<p>vote in favour of Resolution 6; and</p> <ul style="list-style-type: none">• advises that he intends to vote all Shares he owns or controls the right to vote in favour of Resolution 6.		<p>recommendation. He is excluded from voting his Shares on Resolution 6.</p>

RESOLUTION 7 Approval to issue Shares to TrailStone

1. Introduction

For the purpose of listing Rule 7.1, we are seeking Shareholder approval for Resolution 7 referred to in the accompanying Notice.

2. The Resolution and Explanation

As set out in Section 1 of this Explanatory Memorandum, Resolution 7 is proposed as part of a package of resolutions (Resolutions 3 – 7) for the purpose of enabling SXG to obtain an additional equity funding injection of up to a further A\$2 million, in addition to the debt funding from TrailStone, upon satisfaction of the Equity Raise Condition.

Specifically, Resolution 7 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to a maximum of 250 million Shares to TrailStone (**Max TS Shares**) pursuant to a placement agreement between SXG and TrailStone (**TrailStone Placement Agreement**).

Listing Rule 7.1 prohibits (subject to certain exceptions such as pro-rata issues and bonus issues) SXG from issuing or agreeing to issue new securities representing more than 15% of its total issued ordinary shares during the following 12 month period, without shareholder approval (**15% Threshold**).

By Shareholders approving the issue of the Max TS Shares, the issue of the TrailStone Shares (being the actual number of Shares to be issued once all variables noted below are confirmed) will not affect SXG's Placement Capacity and SXG's Board will have the flexibility to issue further securities up to the 15% Threshold over the following 12 month period. On the basis that Shareholder approval for this Resolution 7 is obtained, the issue of the TrailStone Shares will not be counted as a new issue for the purposes of the 15% Threshold.

Please note that the issue price per TrailStone Share to be paid is not known as at the date of these Meeting Materials as it is to be calculated by reference to the issue price paid pursuant to the Capital Raising as set out above and as described further below.

While Shareholder approval is being sought for the issue of up to 250 million Shares, the actual number of Shares to be issued to TrailStone will depend on the issue price, once known, so this may be higher or lower than 250 million Shares. For example, if Shareholder approval was granted, SXG raised over A\$8 million under the Capital Raising triggering TrailStone's obligation to subscribe for A\$2 million worth of Shares and the issue price under the Capital Raising was \$0.01, only 200 million Shares would be issued to TrailStone. It should also be noted that if the actual number of TrailStone Shares exceeds the Max TS Shares, the excess will reduce SXG's available Placement Capacity.

3. Listing Rule Requirements

3.1 Information required by the Listing Rules

Listing Rule 7.3 requires that the information listed below be provided to Shareholders for the purpose of obtaining shareholder approval pursuant to Listing Rule 7.1:

Item	Information
Maximum number of securities issued	250,000,000 Shares.
Issue Price	The equivalent issue price per Share under the Capital Raising.
Issue date / date by which the entity will issue the securities	The TrailStone Shares are to be issue in one tranche, as soon as practicable after the date of the Meeting and after the Capital Raising is completed, and in any event not later than 5 December 2014, being 3 months after the date of the Meeting.
Terms of the securities	The Shares were issued as fully paid ordinary shares ranking equally with existing Shares for which quotation on the ASX was sought.
Name of allottees or basis on which determined	TrailStone.
Use of funds	The funds raised from the issue of the TrailStone Shares, together with any other funds raised under the Capital Raising shall be applied in the manner set out in Section 1.6 of this Explanatory Memorandum.

3.2 Related party information

TrailStone is not a related party of SXG.

3.3 Impact of Shareholder approval

Importantly, Shareholders should note that:

- Shareholder approval is not required for the issue of the TrailStone Shares issued in satisfaction of the TrailStone Placement; and
- if Shareholder approval is not obtained for Resolution 7, the issue of the TrailStone Shares will not be impacted or changed, assuming there is available Placement Capacity.

The impact of Shareholder approval for Resolution 7 will be the extent to which the Company's 15% Threshold is refreshed.

Further, it is noted that Shareholders passed a resolution at SXG's 2013 AGM for the purposes of Listing Rule LR7.1A, thereby increasing the 15% Threshold by a further 10% (until the following AGM), giving SXG an expanded Placement Capacity of 25% (of which approximately 10.22% remains

under Listing Rule 7.1 and 10% remains under Listing Rule 7.1A, as at the date of these Meeting Materials).

Accordingly, if:

- **Resolution 7 is approved** the Company's capacity under Listing Rule 7.1 will be refreshed to the extent of the TrailStone Shares.

On this basis, assuming no other securities are issued (and Shareholder approval is obtained for Resolutions 1 and 2), if Resolution 7 is approved, the Company will be able to issue approximately an additional 459,669,285 new Shares in the following 12 months, without Shareholder approval and without relying on any exceptions to the 15% Threshold; and

- **Resolution 7 is not approved** the Company's capacity under Listing Rule 7.1 will not be refreshed to the extent of the TrailStone Shares.

On this basis, assuming no other securities are issued and Resolution 2 is not approved, if Resolution 7 is not approved but the Max TS Shares are issued, it is estimated that the Company may only issue approximately up to a further 100 million Shares until the Company's 2014 AGM (noting the approval obtained at the 2013 AGM under Listing Rule 7.1A is only effective up until the next AGM in 2014). Beyond this, it will not be able to issue any new securities in the next 12 months without Shareholder approval, unless one of the exceptions to the 15% Threshold applies (such as a pro rata entitlement offer) or all necessary Shareholder Approvals are obtained to refresh the Placement Capacity at SXG's 2014 AGM.

Voting exclusion statements are included in the Notice.

4. Recommendation

No members of the Board have any personal interests in the outcome of Resolution 7.

Accordingly, the Board unanimously recommends that eligible Shareholders vote in favour of Resolution 7. Each Director intends to vote all Shares they own or control the right to vote in favour of Resolution 7.

GLOSSARY

In the Meeting Materials:

A\$	means Australian dollars.
ASIC	means Australian Securities and Investments Commission.
associate(s)	has the meaning given in section 12 of the Corporations Act.
ASX	means the Australian Securities Exchange or ASX Limited ACN 008 624 691.
Board	means the board of Directors of the Company.
Chairman	means the chairman of the Board.
Company or SXG	means Southern Cross Goldfields Limited ACN 124 374 321.
Constitution	means the constitution of the Company as in force from time to time.
Corporations Act	means the Corporations Act 2001 (Cth).
Directors	means the Directors of the Company from time to time, which as at the date of this Notice are Jon Parker, Frank Terranova and David Sproule.
Equity Raise Condition	means the key Condition Precedent to obtaining access to the TrailStone funding of up to \$62 million (comprising up to \$2 million in equity funding and \$60 million in debt funding) which requires SXG to raise at least A\$5 million (by way of the issue of new Share) from parties other TrailStone, as further described in Section 1.2 of this Explanatory Memorandum.
Exercise Price	means the exercise price of any free-attaching Options to be issued pursuant to Resolutions 3 – 9, which shall be equivalent to the Warrant Strike Price (being a maximum of \$0.14 as set out in Section 1.4 of this Explanatory Memorandum.
Explanatory Memorandum	means this explanatory memorandum that accompanies and forms part of the Notice and Meeting Materials.
Financial Close	will occur upon SXG satisfying all of the conditions precedent to obtaining the TrailStone Funding, the last of which is expected to be satisfaction of the Equity Raise Condition, at which time TrailStone will be committed to provide the Prepaid Gold Facility and the Credit Facility (subject to the relevant conditions precedent to each draw down) and must pay the \$25 million Gold Prepayment Amount to SXG.
Listing Rules	means the official Listing Rules of ASX.
Meeting or Extraordinary General Meeting	means the extraordinary general meeting of the Company to be convened by the Notice (unless the context otherwise requires), scheduled for 4 September 2014.
Meeting Materials	means the Notice, Explanatory Memorandum and Proxy Form.
Notice	means the notice of Extraordinary General Meeting setting out the Resolutions dated 1 August 2014 and which these Meeting Materials accompany.

Option	means an option to subscribe for a fully paid Share.
Placement Capacity	means the Company's capacity to issue equity securities without Shareholder approval having regard to the operation of Listing Rule 7.1 and Listing Rule 7.1A as they apply to SXG from time to time. As at the date of these Meeting Materials, SXG's Placement Capacity is 133,087,194 equity securities, which is insufficient to complete the Capital Raising.
Proxy Form	means the proxy form accompanying the Notice.
relevant interest	has the meaning given in section 608 of the Corporations Act.
RMB	means RMB Australia Holdings Ltd.
RMB Facility	means the A\$7 million finance facility made available to the Company by RMB on 22 March 2013 which was primarily utilised by the Company to acquire the Sandstone Project, the outstanding principal of which was reduced from A\$7 million to A\$5 million on 24 March 2014, and which is now due for payment on 24 September 2014 or upon an earlier debt financing (such as the TrailStone Transactions).
Resolution	means Resolution 1 (Ratification of prior Options issued to RMB), Resolution 2 (Ratification of prior Shares issued to Barranco), Resolution 3 (Approval to issue Future Placement Securities), Resolution 4 (Approval to issue Terranova Securities), Resolution 5 (Approval to issue Parker Securities), Resolution 6 (Approval to issue Sproule Securities) and Resolution 7 (Approval to issue Shares to TrailStone) or all resolutions, as the context requires.
Share	means a fully paid ordinary share in the Company.
Shareholder	means a holder of Shares.
TrailStone	means TrailStone UK II Ltd (being the entity that will receive Shares and Warrants in SXG pursuant to the TrailStone Placement and as set out in Section 1 of this Explanatory Memorandum, its associated entity TrailStone Netherlands I Coöperatief U.A (being the entity providing the debt funding to SXG under the Prepaid Facility and the Credit Facility) or any of its associates.
TrailStone Shares	means the Shares to be issued to TrailStone pursuant to the TrailStone Placement as described in Section 1.3a) of this Explanatory Memorandum.
TrailStone Transactions	has the meaning ascribed to it in Section 1.1 of this Explanatory Memorandum, with those transactions being further described in Sections 1.3 and 1.4.
VWAP	has the meaning given at Section 1.4 of this Explanatory Memorandum.
Warrants	means the Warrants to be issued to TrailStone as described at Sections 1.3d) and 1.4 of this Explanatory Memorandum.
Warrant Strike Price	means the price at which the Warrants may be exercised, as set out at Section 1.4 of this Explanatory Memorandum.



SOUTHERN CROSS GOLDFIELDS LTD

ABN 71 124 374 321

— 000001 000 SXG
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 10:30 am (AEST) Tuesday, 2 September 2014

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Southern Cross Goldfields Limited hereby appoint



the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Southern Cross Goldfields Limited to be held at the Christie Conference Centre, 320 Adelaide Street, Brisbane, QLD 4000 on Thursday, 4 September 2014 at 10:30 am (AEST) and at any adjournment or postponement of that meeting.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Ratification of prior Options issued to RMB	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of prior Shares issued to Barranco	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to issue Future Placement Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to issue Terranova Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to issue Parker Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval to issue Sproule Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval to issue TrailStone Shares to TrailStone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

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Computershare +