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Attention: Market Announcements Office

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Form 603 (Notice of initial substantial holder) issued by TrailStone UK Ltd in relation to the shares of Southern Cross Goldfields Limited (ASX: SXG).

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Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder**To Company Name/Scheme Southern Cross Goldfields LimitedACN/ARSN 124 374 321**1. Details of substantial holder (1)**Name TrailStone UK Ltd

ACN/ARSN (if applicable) _____

The holder became a substantial holder on 17/10/2014**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4) | Number of securities | Persons' votes (5) | Voting power (6) |
|-------------------------|----------------------|--------------------|------------------|
| Ordinary | 100,000,000 | 100,000,000 | 7.58% |
| | | | |

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest | Nature of relevant interest (7) | Class and number of securities |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| TrailStone UK Ltd | Relevant interest under section 608(1)(a) of the Corporations Act. Shares acquired pursuant to Placement Agreement (as novated to TrailStone UK Ltd) – annexed at Annexure A. | 100,000,000 ordinary shares |
| | | |

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Class and number of securities |
|-----------------------------|---------------------------------|------------------------------------------------|--------------------------------|
| TrailStone UK Ltd | TrailStone UK Ltd | TrailStone UK Ltd | 100,000,000 ordinary shares |
| | | | |

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of acquisition | Consideration (9) | | Class and number of securities |
|-----------------------------|---------------------|-------------------|----------|--------------------------------|
| | | Cash | Non-cash | |
| TrailStone UK Ltd | 17 October 2014 | \$1,000,000 | | 100,000,000 ordinary shares |
| | | | | |

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| See Annexure B. | |
| | |
| | |

7. Addresses

The addresses of persons named in this form are as follows:

| Name | Address |
|--------------------------------------|--------------------------------------------------------------|
| TrailStone UK Ltd and its associates | Heron Tower, 110 Bishopgate, London EC2N 4AY, United Kingdom |
| | |

Signature

print name SANDRA ROSIGNOLI capacity DIRECTOR

sign here  date 20 Oct 2014

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. If the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Southern Cross Goldfields Limited ACN 124 374 321

Annexure A

This is Annexure A of 21 pages referred to in the Form 603 - Notice of initial substantial holder

STANDBY ROSIGNOU

Name & Signature



Date

20/OCT/14.

PLACEMENT AGREEMENT

SOUTHERN CROSS GOLDFIELDS LIMITED

TRAILSTONE UK II LTD

JOHNSON WINTER & SLATTERY
LAWYERS

Level 25, 20 Bond Street
SYDNEY NSW 2000
T +61 2 8274 9555 | F +61 2 8274 9500
www.jws.com.au

SYDNEY | PERTH | MELBOURNE | BRISBANE | ADELAIDE

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CONTENTS

| | | |
|-----------|-----------------------------------------------------------------------|----------|
| 1 | Definitions and Interpretation | 1 |
| 1.1 | Definitions | 1 |
| 1.2 | Interpretation | 2 |
| 2 | Subscription for and issue of Placement Shares | 3 |
| 2.1 | Subscription and issue | 3 |
| 2.2 | Nomination | 3 |
| 3 | Interdependence of obligations under Warrant Subscription Deed | 3 |
| 3.1 | Interdependence | 3 |
| 3.2 | Termination | 4 |
| 4 | Completion | 4 |
| 4.1 | Time and place | 4 |
| 4.2 | Obligations of TrailStone | 4 |
| 4.3 | Obligations of Company | 4 |
| 5 | Obligations of Company following issue of Placement Shares | 4 |
| 5.1 | Cleansing Notice | 4 |
| 5.2 | ASX Quotation | 4 |
| 6 | Warranties | 5 |
| 6.1 | Company's Representations and Warranties | 5 |
| 6.2 | When warranties given | 5 |
| 6.3 | Separate warranties | 5 |
| 6.4 | Acknowledgment | 6 |
| 7 | Announcements | 6 |
| 8 | Termination | 6 |
| 8.1 | Termination events | 6 |
| 8.2 | Consequences of termination | 6 |
| 9 | Miscellaneous | 6 |
| 9.1 | Independent Assessment | 6 |
| 9.2 | No Waiver | 7 |
| 9.3 | Severance | 7 |
| 9.4 | About This Document | 7 |
| 9.5 | Governing Law and Jurisdiction | 7 |
| 9.6 | Costs | 7 |
| 9.7 | Further Acts | 7 |
| 9.8 | Assignment | 7 |
| 9.9 | No Merger | 7 |
| 10 | Notices | 8 |

PLACEMENT AGREEMENT

DATE

PARTIES

- 1 **SOUTHERN CROSS GOLDFIELDS LIMITED** ABN 71 124 374 321 of Level 6, 344 Queen Street, Brisbane, Queensland, 4000, Australia (the **Company**); and
- 2 **TRAILSTONE UK II LTD**, a company incorporated in England and Wales with registered number 8511228 of Heron Tower, 110 Bishopsgate, London EC2N 4AY, United Kingdom (**TrailStone**).

RECITALS

- A The Company is a company listed on the ASX.
- B The Company has agreed to issue, and TrailStone has agreed to subscribe for, the Placement Shares on and subject to the terms in this document.

OPERATIVE PART

1 Definitions and Interpretation

1.1 Definitions

In this document:

ASX means ASX Limited ABN 98 008 624 691 or, as the context requires, the securities market operated by it.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Brisbane, Australia.

Capital Raise means a capital raising involving the issue of Shares by the Company sufficient to satisfy the condition in clause 2.1(e) of the Prepaid Agreement.

Completion means completion of the issue of the Placement Shares in accordance with clause 4.

Completion Date is to be determined in accordance with the Warrant Subscription Deed.

Corporations Act means the Corporations Act 2001 (Cth).

End Date means 30 September 2014 or any other date as the parties may agree in writing.

Government Agency means any governmental, semi-governmental, municipal or statutory authority, instrumentality, organisation, body or delegate or administrative, monetary or financial authority, or self-regulatory organisation or stock exchange.

A person is **Insolvent** if:

- (a) the person is (or states that it is) a insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) the person is in liquidation, in provisional liquidation, under administration or wound up or has had a controller (as defined in the Corporations Act) appointed to any part of its property;

- (c) the person is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent);
- (d) an application or order has been made (and in the case of any application, it is not stayed withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of paragraph (a), (b) or (c) above;
- (e) the person is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (f) the person is subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act; and
- (g) the person is otherwise unable to pay its debts when they fall due.

Issue Price means the price at which new Shares are offered for issue under the Capital Raise.

Listing Rules means the listing rules of ASX.

Nominee has the meaning given in clause 2.2(a).

Placement Shares means the number of Shares determined by dividing the Subscription Amount by the Issue Price (with any fractions rounded up to the nearest whole number).

Prepaid Agreement means the prepaid gold supply agreement between the Company and TrailStone dated on or about the date of this document.

Rights Issue means a pro-rata rights issue of Shares conducted within 6 months from the date of this document.

Shares means fully paid ordinary shares in the share capital of the Company.

Subscription Amount means:

- (a) \$1,000,000, if the Company raises at least \$5,000,000 but less than \$8,000,000 under the Capital Raise; or
- (b) \$2,000,000, if the Company raises \$8,000,000 or more under the Capital Raise.

Warrant Completion means "Completion" as that term is defined by the Warrant Subscription Deed.

Warrant Subscription Deed means the warrant subscription deed between the Company and TrailStone dated on or about the date of this document.

1.2 Interpretation

In this document, unless a contrary intention appears:

- (a) words or expressions importing the singular include the plural and vice versa;
- (b) words or expressions importing a gender include the other gender;
- (c) words or expressions denoting individuals include corporations, firms, unincorporated bodies, government authorities and instrumentalities;
- (d) a reference to a party includes that party's successors and permitted assigns;

- (e) where a word or expression is defined or given meaning, another grammatical form has a corresponding meaning;
- (f) any heading, index, table of contents or marginal note is for convenience only and does not affect the interpretation of this document;
- (g) a provision of this document shall not be construed to the disadvantage of a party merely because that party was responsible for the preparation of this document or the inclusion of the provision in this document;
- (h) a reference to this document or another document includes that document as amended, varied, novated, supplemented or replaced from time to time;
- (i) a reference to legislation or a provision of legislation includes:
 - (i) all regulations, orders or instruments issued under the legislation or provision; and
 - (ii) any modification, consolidation, amendment, re-enactment, replacement or codification of such legislation or provision;
- (j) any recitals, schedule or annexure form part of this document and have effect as if set out in full in the body of this document;
- (k) a reference to **dollars** or **\$** is a reference to Australian dollars;
- (l) a reference to a payment in **immediately available funds** refers to cash, a bank cheque the drawer of which is an Australian bank, a telegraphic transfer of cleared funds or a direct credit of cleared funds; and
- (m) where an act would be required to be done, or a time limit or period would expire, on a day which is not a Business Day, the act must be done, or the limit or period will expire, on the following Business Day.

2 Subscription for and issue of Placement Shares

2.1 Subscription and issue

On Completion, TrailStone must subscribe at the Issue Price for the Placement Shares and the Company must issue the Placement Shares to TrailStone, free from all encumbrances, on the terms and conditions set out in this document.

2.2 Nomination

- (a) TrailStone may nominate one or more of its affiliates (each a **Nominee**) to be the holder of the Placement Shares, in whatever proportions TrailStone decides. TrailStone will give written notice of the identity of each Nominee to the Company at least two Business Days before the Completion Date.
- (b) On receipt by the Company of the notice in clause 2.2(a), the Company agrees that each Nominee will have the benefit of TrailStone's rights under this document (including the warranties in clause 6.1) and that such rights will be held by TrailStone on trust for the benefit of each Nominee.

3 Interdependence of obligations under Warrant Subscription Deed

3.1 Interdependence

The obligations of the parties to complete the subscription and issue of the Placement Shares under clause 2 of this document are interdependent with the obligations of the parties to complete the

subscription and issue the Warrants under clause 4 of the Warrant Subscription Deed such that Completion shall only occur if Warrant Completion occurs under the Warrant Subscription Deed.

3.2 Termination

If Warrant Completion does not occur in accordance with the provisions of the Warrant Subscription Deed, then this document is of no further force or effect and the parties shall have no further obligation to one another pursuant to this document.

4 Completion

4.1 Time and place

Completion will take place on the Completion Date:

- (a) contemporaneously with Warrant Completion; and
- (b) at such time and place as the parties may agree in writing.

4.2 Obligations of TrailStone

On or before Completion, TrailStone must pay the Subscription Amount to the Company in immediately available funds as consideration for the issue to it (or any Nominee) of the Placement Shares.

4.3 Obligations of Company

On Completion, the Company must, subject to the performance of TrailStone's obligations in clause 4.2:

- (a) issue the Placement Shares to TrailStone (or any Nominee as applicable); and
- (b) deliver an irrevocable instruction to the Company's share registry to:
 - (i) promptly enter TrailStone (or if applicable, any Nominee) in the Company's register of members as the holder of the Placement Shares; and
 - (ii) send to TrailStone (or if applicable, any Nominee) at TrailStone's address set out in clause 10 a holding statement for the holding of the Placement Shares in the name of TrailStone (or if applicable, any Nominee).

5 Obligations of Company following issue of Placement Shares

5.1 Cleansing Notice

As soon as practicable after the issue of the Placement Shares, but in any event within five Business Days after the Completion Date, the Company must give to the ASX a notice which complies with section 708A(6) of the Corporations Act in relation to the Placement Shares.

5.2 ASX Quotation

As soon as practicable after the issue of the Placement Shares, but in any event within two Business Days after the Completion Date, the Company must apply to ASX for official quotation of the Placement Shares on the ASX and do all things reasonably necessary to ensure that the Placement Shares are quoted as soon as practicable on such terms and conditions as are usual for the quotation of securities.

6 Warranties

6.1 Company's Representations and Warranties

The Company represents and warrants to TrailStone that:

- (a) it is an Australian public company admitted to the Official List of the ASX;
- (b) it is validly existing under the laws of its place of incorporation;
- (c) it has the power to enter into and perform this document and has obtained all necessary consents and authorisations to enable it to do so;
- (d) this document constitutes valid and binding obligations upon it enforceable in accordance with its terms;
- (e) the agreement recorded in this document and the transactions contemplated by it do not conflict with or result in a breach or default by it of any obligation (including any statutory, contractual or fiduciary obligation) or constitute or result in any default by it under any provision of its constitution or any material provision of any agreement, deed, writ, order, injunction or judgment to which it is a party or is subject or by which it is bound;
- (f) it is not Insolvent;
- (g) the Shares have been granted official quotation by ASX for trading on the ASX;
- (h) upon issue, the Placement Shares will be fully paid ordinary shares in the capital of the Company, will rank equally in all respects with the then existing issued Shares and will be free from all competing rights (including pre-emptive rights or rights of first refusal), encumbrances and other third party rights;
- (i) the issue of the Placement Shares will not breach Listing Rule 7.1 or any other Listing Rule;
- (j) all the relevant requirements of section 708A of the Corporations Act (including section 708A(5)(e)) are fulfilled (or will be fulfilled) so as to enable an offer for sale of Placement Shares without disclosure to investors within 12 months of the date of issue of the Placement Shares;
- (k) upon issue of the notice referred to in clause 5.1, the Placement Shares will be freely tradeable and transferable;
- (l) it has complied with the continuous disclosure requirements under the Listing Rules and is not aware of any information subject to an exception under Listing Rule 3.1A other than market disclosures to be made by the Company contemporaneously with execution of this document; and
- (m) it will not issue any Shares or rights to acquire Shares prior to the earlier of the Completion Date or termination of this document, without the consent of TrailStone other than under the Rights Issue or the Capital Raise.

6.2 When warranties given

The representations and warranties in clauses 6.1 are made as at the date of this document and as at the time immediately before Completion.

6.3 Separate warranties

Each representation and warranty in clauses 6.1 is to be treated as a separate representation and warranty. The interpretation of any representations and warranties will not be restricted by reference to or inference from any other representations and warranties.

6.4 Acknowledgment

The Company acknowledges that it is not issuing the Placement Shares for the purpose of TrailStone (or any Nominee as applicable) selling or transferring all or any of the Placement Shares, or granting, issuing or transferring interests in, or options over, the Placement Shares.

7 Announcements

The Company must not make any announcement concerning the subscription by TrailStone (or any Nominee) for the Placement Shares or any related matter without TrailStone's prior written approval, except where each of the following are satisfied in relation to the announcement:

- (a) the announcement is required by law, the Listing Rules or any Government Agency; and
- (b) the Company has, to the extent lawful, and practicable (having regard to time and its continuous disclosure obligations) first consulted with and taken into account TrailStone's reasonable requirements.

8 Termination

8.1 Termination events

TrailStone may terminate this document at any time before Completion by written notice to the Company if:

- (i) any representation and warranty in clauses 6.1 is untrue, inaccurate or misleading when given;
- (ii) any representation and warranty in clauses 6.1 would be untrue, inaccurate or misleading if it were repeated on any date after the date of this document up to and including the Completion Date by reference to facts and circumstances then subsisting; or
- (iii) there is a material breach by the Company of any other provision of this document.

8.2 Consequences of termination

- (a) A party's right of termination under this document is without prejudice to any other right or remedy it may have.
- (b) Termination of this document will be without prejudice to any party's obligations under this document which are expressed to continue following termination or any party's liability for any pre-termination breach of any provision of this document.

9 Miscellaneous

9.1 Independent Assessment

Each party acknowledges and agrees that:

- (a) it has entered into this document freely and of its own volition based on its independent assessment of the merits of the transactions contemplated by this document;
- (b) it has had adequate opportunity to take, and has taken, independent professional advice regarding this document and the transactions contemplated by it and its decision to enter into this document and the transactions contemplated by it is its own independent decision taken at its own risk; and

- (c) it is acting solely for its own account in relation to this matter and neither it nor any of its directors, officers, employees, advisers or representatives has acted as adviser to the other party or is responsible for providing any advice to it.

9.2 No Waiver

A party waives a right under this document only by written notice that it waives that right. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.

9.3 Severance

If a provision of this document would, but for this clause, be unenforceable:

- (a) the provision will be read down to the extent necessary to avoid that result; and
- (b) if the provision cannot be read down to that extent, it will be severed without affecting the validity and enforceability of the remainder of this document.

9.4 About This Document

- (a) Except to the extent contemplated by clause 3, this document records the entire agreement between the parties as to its subject matter. It supersedes all prior contracts, obligations, representations, conduct and understandings. The agreement recorded in this document is immediately enforceable, subject to its own express terms.
- (b) This document may be amended only by written agreement of all parties.
- (c) This document may be executed in any number of counterparts, and by the parties in separate counterparts, but is not effective until each party has executed at least one counterpart.
- (d) Each counterpart of this document constitutes an original of this document but the counterparts together constitute one and the same instrument.

9.5 Governing Law and Jurisdiction

- (a) The laws of New South Wales govern this document.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales.

9.6 Costs

A party will bear its own costs in relation to the negotiation, preparation and execution of this document and any further document required.

9.7 Further Acts

The parties must do all things reasonably required to facilitate the performance of the transactions contemplated by this document.

9.8 Assignment

A party may not assign its rights under this document except with the prior written consent of each other party and any purported assignment in contravention of this provision is void.

9.9 No Merger

The rights and obligations of the parties will not merge on completion of any transaction under this document. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

10 Notices

- (a) Any notice or other communication (including, without limitation, any consent or waiver by the TrailStone under this document or in connection with this document) to be given under this document or any other Transaction Document shall be in writing (which includes email) or may be sent by email in accordance with clause 10(b) and may be delivered or sent by post to the party to be served at, its address as follows:
- (i) to the Company at:
- Southern Cross Goldfields Limited
Level 6
344 Queen Street
Brisbane QLD 4000
Australia
- Attention: David Kinsman, Chief Financial Officer
- (ii) to Trailstone at:
- Trailstone UK II Ltd
19th Floor, Heron Tower
110 Bishopsgate
London EC2N 4AY
United Kingdom
- Attention: General Counsel
- or at such other address as it may have notified to the other party in accordance with this clause 10. Any notice or other document sent by post shall be sent by prepaid first class airmail.
- (b) Notices under this document or any other Transaction Document may be sent by one party to the other party by use of electronic mail. E-mail notices shall be sent:
- (i) for the Company:
- Email: admin@scross.com.au
- (ii) for the TrailStone:
- Email: sandra.rosignoli@trailstonegroup.com
- (c) Any notice or other formal communication shall be deemed to have been given and shall be effective:
- (i) if delivered, at the time of delivery;
- (ii) if posted, at 9:00 am (Brisbane time) on the fifth Business Day after it was put into post; or
- (iii) if sent by email, on the date of transmission, if transmitted before 5:00 pm (Brisbane time) on any Business Day, and in any other case on the Business Day following the date of transmission.
- (d) In proving service of a notice or other formal communication, it shall be sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted by prepaid first class airmail and that the email was properly addressed and transmitted.

- (e) This clause 10 shall not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this document.

EXECUTED as an agreement

EXECUTED by **SOUTHERN CROSS**)
GOLDFIELDS LIMITED in accordance)
with section 127 of the *Corporations Act*)
2001 by:)

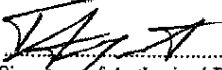
.....
Director

.....
Director/Secretary

.....
Name
(BLOCK LETTERS)

.....
Name
(BLOCK LETTERS)

EXECUTED by **TRAILSTONE UK II**)
LTD in accordance with its Constitution and)
the laws of the place of its incorporation:)
)


.....
Signature of Authorised Person

.....
Signature of Authorised Person

DIRECTOR
.....
Office Held

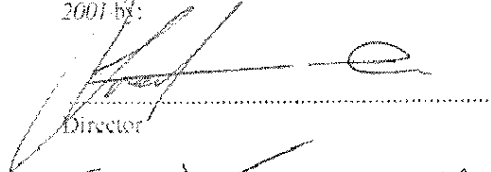
.....
Office Held

TROY A MARTIN
.....
Name of Authorised Person
(BLOCK LETTERS)

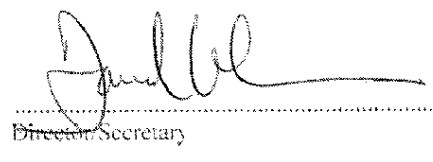
.....
Name of Authorised Person
(BLOCK LETTERS)

EXECUTED as an agreement

EXECUTED by **SOUTHERN CROSS
GOLDFIELDS LIMITED** in accordance
with section 127 of the *Corporations Act*
2001 ~~by~~:


.....
Director

FRANK TOTZBRANOVA
.....
Name
(BLOCK LETTERS)


.....
Director/Secretary

DAVID KINSMAN
.....
Name
(BLOCK LETTERS)

EXECUTED by **TRAILSTONE UK II
LTD** in accordance with its Constitution and
the laws of the place of its incorporation:

.....
Signature of Authorised Person

.....
Office Held

.....
Name of Authorised Person
(BLOCK LETTERS)

.....
Signature of Authorised Person

.....
Office Held

.....
Name of Authorised Person
(BLOCK LETTERS)

NOVATION AND VARIATION DEED – WARRANT SUBSCRIPTION DEED & PLACEMENT AGREEMENT

DATE

PARTIES

- 1 **TRAILSTONE UK LTD**, a company incorporated in England and Wales with registered number 8510757 of Heron Tower, 110 Bishopgate, London EC2N 4AY, United Kingdom (**Incoming Party**);
- 2 **TRAILSTONE UK II LTD**, a company incorporated in England and Wales with registered number 8511228 of Heron Tower, 110 Bishopgate, London EC2N 4AY, United Kingdom (**Existing Party**); and
- 3 **SOUTHERN CROSS GOLDFIELDS LIMITED** ABN 71 124 374 321 of Level 6, 344 Queen Street, Brisbane, Queensland, 4000; Australia (**Company**).

RECITALS

- A The Existing Party and the Company are parties to the Agreements.
- B The parties are entering into this document to:
 - (a) effect a novation of the Existing Party's rights and obligations under the Agreements to the Incoming Party on the terms and conditions set out in this document; and
 - (b) amend the Agreements on the terms and conditions set out in this document.

OPERATIVE PART

1 Definitions and Interpretation

1.1 Definitions

In this document:

Agreements means the Placement Agreement and the Warrant Subscription Deed and Agreement means any of them.

Business Day means a day other than a Saturday, Sunday or public holiday in Sydney, New South Wales.

Placement Agreement means the Placement Agreement dated 3 July 2014 between the Existing Party and the Company, as amended by the Deed of Amendment – Placement Agreement dated 17 September 2014 between the Existing Party and the Company.

Warrant Subscription Deed means the Warrant Subscription Deed dated 3 July 2014 between the Existing Party and the Company, as amended by the Deed of Amendment – Warrant Subscription Deed dated 17 September 2014 between the Existing Party and the Company.

1.2 Interpretation

In this document, unless a contrary intention appears:

- (a) words or expressions importing the singular include the plural and vice versa;
- (b) words or expressions importing a gender include the other gender;
- (c) words or expressions denoting individuals include corporations, firms, unincorporated bodies, government authorities and instrumentalities;

- (d) any heading, index, table of contents or marginal note is for convenience only and does not affect the interpretation of this document;
- (e) a provision of this document shall not be construed to the disadvantage of a party merely because that party was responsible for the preparation of this document or the inclusion of the provision in this document; and
- (f) a reference to this document or another document includes that document as amended, varied, novated, supplemented or replaced from time to time.

1.3 Transaction Document

The parties to this document agree that this document is an "Equity Investment Document" and a "Transaction Document" for the purposes of the Forward Gold Purchase Agreement dated 3 July 2014 between Trailstone Netherlands I Coöperatief U.A. and the Company (as amended from time to time).

2 Novation

2.1 Substitute of Existing Party

On and from the date of this document:

- (a) the Incoming Party replaces the Existing Party under each Agreement as if it were an original party to the Agreement; and
- (b) a reference in an Agreement to the Existing Party must be read as a reference to the Incoming Party.

2.2 Assumptions of rights and obligations by Incoming Party

(a) On and from the date of this document:

- (i) the Existing Party absolutely and unconditionally assigns all of its right, title and interest under or in connection with each Agreement to the Incoming Party; and
- (ii) the Incoming Party must comply with each Agreement and obtains the rights and powers and assumes all of the obligations and liabilities of the Existing Party under that Agreement.

(b) On and from the date of this document, the Company must comply with each Agreement on the basis that the Incoming Party has replaced the Existing Party under it in accordance with this document.

2.3 Discharge of Existing Party

On and from the date of this document the Existing Party is irrevocably released and discharged from all of its obligations and liabilities under or in connection with the Agreements (other than obligations and liabilities which accrued or arose before the date of this document).

3 Agreed Variations to the Agreements

With effect on and from the date of this document:

- (a) the Warrant Subscription Deed is amended in accordance with Part A of the Schedule;
- (b) the Placement Agreement is amended in accordance with Part B of the Schedule; and

- (c) each of the Incoming Party and the Company agrees that each Agreement remains in full force and effect in accordance with its terms and that it will be bound by the Agreement as amended in accordance with the Schedule on the terms set out therein.

4 Miscellaneous

4.1 No Waiver

A party waives a right under this document only by written notice that it waives that right. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.

4.2 About This Document

- (a) This document records the entire agreement between the parties as to its subject matter. It supersedes all prior contracts, obligations, representations, conduct and understandings. The agreement recorded in this document is immediately enforceable, subject to its own express terms.
- (b) This document may be amended only by written agreement of all parties.
- (c) This document may be executed in any number of counterparts, and by the parties in separate counterparts, but is not effective until each party has executed at least one counterpart.
- (d) Each counterpart of this document constitutes an original of this document but the counterparts together constitute one and the same instrument.

4.3 Governing Law and Jurisdiction

- (a) The laws of New South Wales govern this document.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales.
- (c) Each party irrevocably waives any objection to the venue of any legal process on the basis that the process has been brought in an inconvenient forum.
- (d) Each party irrevocably waives any immunity in respect of its obligations under this document that it may acquire from the jurisdiction of any court or any legal process for any reason including the service of notice, attachment before judgment, attachment in aid of execution or execution.

4.4 Further Acts

The parties must do all things reasonably required to facilitate the performance of the transactions contemplated by this document.

Schedule- Amendments

Part A - Warrant Subscription Deed

1. The definition of "Prepaid Agreement" is amended by replacing "TrailStone" with "Trailstone Netherlands I Coöperatief U.A."
2. The definition of "Credit Facility" is amended by replacing "TrailStone" with "Trailstone Netherlands I Coöperatief U.A."
3. The definition of "VWAP" is amended by replacing "date on which the Gold Prepayment Amount is paid to the Company" with "Completion Date".
4. Clause 2.1 is amended by replacing "as partial consideration for TrailStone" with "as partial consideration for Trailstone Netherlands I Coöperatief U.A."
5. Clause 3.1 is amended to read as follows:

"3.1 Completion Condition

The obligation of the parties to complete the subscription for and issue of the Subscription Warrants under clause 4 do not becoming binding on the parties and Completion cannot take place, unless and until TrailStone has given a written notice to the Buyer electing to proceed with the subscription and issue of the Subscription Warrants under clause 4."

6. Clause 3.3 is deleted and replaced with the following:

"3.3 Not Used"

7. Clause 3.4 is amended by replacing "conditions" with "condition" and replacing "are" with "is".
8. Clause 3.5 is amended to read as follows:

"3.5 Termination

Either party may terminate this Deed by written notice to the other party if the conditions in clauses 3.1 and 3.2(a) have not been satisfied by 5.00pm on the End Date.

Part B - Placement Agreement

1. The definition of "Prepaid Agreement" is amended by replacing "TrailStone" with "Trailstone Netherlands I Coöperatief U.A."


EXECUTED as a deed

EXECUTED by TRAILSTONE UK LTD in accordance with its Constitution and the laws of its place of incorporation:


Signature of Authorised Person

Director
Office Held

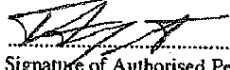
SANDRA ROSIGNOLI
Name of Authorised Person
(BLOCK LETTERS)


Signature of Authorised Person

DIRECTOR
Office Held

Troy MARTIN
Name of Authorised Person
(BLOCK LETTERS)

EXECUTED by TRAILSTONE UK II)
LTD in accordance with its Constitution and)
the laws of its place of incorporation:)


.....
Signature of Authorised Person

DIRECTOR
.....
Office Held

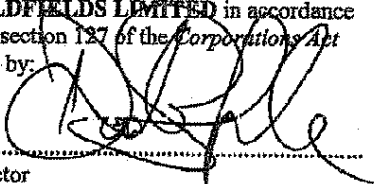
TCOY MARTIN
.....
Name of Authorised Person
(BLOCK LETTERS)

.....
Signature of Authorised Person

.....
Office Held

.....
Name of Authorised Person
(BLOCK LETTERS)

EXECUTED by SOUTHERN CROSS)
GOLDFIELDS LIMITED in accordance)
with section 127 of the Corporations Act)
2001 by:)



.....
Director

.....
DAVID SPROULE
Name
(BLOCK LETTERS)



.....
Director/Secretary

.....
DAVID KINSMAN
Name
(BLOCK LETTERS)

Southern Cross Goldfields Limited ACN 124 374 321

Annexure B

This is Annexure B of 1 page referred to in the Form 603 – Notice of initial substantial holder

SANDRA ROGINOLI

Name & Signature



Date 20 Oct 14.

| Name and ACN/ARSN (if applicable) | Nature of association |
|------------------------------------------------------|-----------------------------------------|
| TrailStone Australia Pty Ltd ACN 166 264 446 | Associates under section 12(2)(a)(i). |
| TrailStone UK II Ltd | Associates under section 12(2)(a)(i). |
| TrailStone GmbH | Associates under section 12(2)(a)(i). |
| TrailStone Management Corp | Associates under section 12(2)(a)(i). |
| Australian Abrasive Minerals Pty Ltd ACN 118 292 756 | Associates under section 12(2)(a)(i). |
| TrailStone LLP | Associates under section 12(2)(a)(i). |
| TrailStone Guernsey Ltd. | Associates under section 12(2)(a)(ii). |
| TrailStone Netherlands I Cooperatief UA | Associates under section 12(2)(a)(iii). |
| TrailStone Finance (Cayman) LP | Associates under section 12(2)(a)(iii). |
| TrailStone (Cayman), L.P. | Associates under section 12(2)(c). |