



# Southern Cross Exploration N.L.

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## **Southern Cross receives approximately \$6 million from Fiji property sale as part of debt repayment:**

- **Funds received will be used to retire approximately \$2.3 million in debt**
- **Following repayment of debt SXX will hold approximately \$3.7 million in cash**
- **SXX assessing additional investment opportunities in the resources sector**
- **SXX committed to strengthening investment portfolio and cash holdings**

**The Board of Southern Cross Exploration Limited (ASX: SXX) (Southern Cross)** is pleased to announce that the Company has received approximately \$6 million as part of a debt repayment following the sale of a commercial property in Fiji.

After the repayment of debts and payment of expenses, SXX will be debt free, and hold cash reserves of approximately \$3.7 million, tradeable equity investments and receivables valued at approximately \$0.6 million, and some exploration assets which have minimal annual financial commitments.

The repayment of debt relates to a longstanding loan owed to SXX by a Fijian company, Nadi Bay Beach Corporation (**Nadi Bay**), in which SXX was also a minority passive shareholder. SXX's shareholding in Nadi Bay had nominal value only. The debt was secured by a mortgage over certain property held by Nadi Bay. Following a default by Nadi Bay SXX appointed Receivers & Managers to the property subject to the mortgage.

Following a formal sale process of the property, which did not result in a successful sale, SXX was introduced to a local Fijian property developer, Wailoaloa Developments which made an offer, to purchase the property and commit to its future development. As part of this transaction, SXX will retain an indirect 49% stake in the property through Wailoaloa Developments.

The Board of SXX is assessing additional equity investment opportunities to take advantage of the continued weakness in the small resources sector where asset values and the listed companies that own these assets remain significantly undervalued. This is SXX's preferred investment route in the near term, and the Board believes it can generate greater near-term value for shareholders by focusing on strategic equity investments.

SXX remains committed to its investment in Dateline Resources Limited (ASX: DTR), in which it holds a 19.7% stake, and believes there is considerable value to be unlocked from DTR's future growth and development. Similar investments are under consideration.

SXX will update shareholders on its investment activities as and when appropriate. SXX is now well funded, it has a significantly lower cost base, and is in a strong position to capitalise on opportunities in the resources sector.

John Smith  
Company Secretary