



Southern Cross Exploration N.L.

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QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2016 (ASX code - SXX)

Southern Cross Exploration N.L. ("the Company" or "Southern Cross" or "SXX") is pleased to present its Activities Report for the Quarter ended 30 September 2016.

MINING EXPLORATION AREAS

URANIUM - BIGRLYI URANIUM JOINT VENTURE (5%) - NORTHERN TERRITORY, AUSTRALIA

The Company's 5% interest in the Bigrlyi Uranium Joint Venture is classified in its accounts as "Investment in Joint Venture". The Project comprises 10 granted exploration retention licences (ELRs 46-55) granted over 30 years ago and several applications within the Ngalia Basin, located approximately 350km northwest of Alice Springs. The Bigrlyi Project is characterised by relatively high uranium grades and excellent metallurgical recoveries. Historical base case acid leach tests recorded extraction rates of 98% uranium.

Energy Metals Limited (EME) holds 53.3% and is the Operator. The joint venture also includes Paladin Energy Ltd, which holds 41.7% through its subsidiary, Northern Territory Uranium Pty Ltd.

Southern Cross acquired its initial interest in 1981 in a purchase from the Commonwealth Atomic Energy Commission. A joint venture with a number of uranium pioneering entities resulted, in which Central Pacific Minerals, Urangesellschaft, AGIP Nucleare, Offshore Oil NL, and the Yuendumu Mining Company N L et al were participants at various times.

China Uranium Development Co. Limited, Energy Metals' largest shareholder (60.6%) since 2009, is a wholly owned subsidiary of China General Nuclear Power Holding Company (CGNPC). CGNPC is one of only two companies authorised by the Chinese government to import and export uranium.

GOLD - PHILIPPINES

BATANGAS PROJECT (10%) (Tenement applications - EPA IVA-115 and PMPA IV-110)

The Batangas Gold Project is located in the Province of Batangas, about 2 hours from Manila. The project consists of an EP Application and an MPSA, which are yet to be granted. After exercising options, a 10% interest was acquired by the Company's wholly-owned subsidiary Northern Star Investments (Qld) Pty Ltd.

Given the current political climate in the Philippines and the fact that the JV partners have not been able to advance the application, the company is considering abandoning its interest in the application.



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GOLD CROSS PROJECT (20%)

(Tenement applications - MA-P-III-02-04, MA-P-III-05-04, MA-P-III-06-04, MA-P-III-07-04)

Southern Cross holds a 20% interest in the Gold Cross Gold Project in the Philippines. The project area is located in the Province of Bulacan about 100 kms north-east of Manila. No activity reports on this project were received during the quarter.

Given the current political climate in the Philippines and the fact that the JV partners have not been able to advance the applications, the company is considering abandoning its interest in the application.

MAGNESITE - IRAN

The company maintains its 10% interest in a private group based in Dubai and Teheran which holds several exploration tenements for magnesite in Iran.

No advice on the status of this interest was received during the quarter and the company is unable to verify the current status of the tenements.

OIL & GAS & ENERGY

Oil and gas investment and exploration opportunities in Australia and overseas have been examined, with a view to direct participation by SXX.

WAILOALOA DEVELOPMENTS LIMITED – 49%

The Company holds a minority interest (49%) in a Fijian Company (Wailoaloa Developments Limited – 'WDL'). WDL owns 40 acres of freehold land in Nadi Fiji.

On 29 August the Company provided an update (via the ASX announcement platform) on the progress of WDL. Civil works have commenced after receiving all necessary approvals. The subdivision will yield 111 lots and binding pre-sale agreements valued at approximately AUD\$10.9 million (circa FJD\$17.1million) have been executed. Settlement is expected to occur by 30 June, 2017, and WDL is targeting sales revenue of FJD45 million (circa AUD28.5million) for the remaining development.

GENERAL

Examination regarding possible participation in a number of new projects and maintaining and reviewing the Company's existing projects were the principal activities during the quarter.

On 19 October, 2016 SXX announced that it would increase its investment in DTR by a further \$1,000,000. SXX is committed to its investment in Dateline Resources Limited (ASX: DTR), in which it presently holds a 19.75% stake, and believes there is considerable value to be unlocked from DTR's future development of the Gold Links project in Colorado along with its Udu project in Fiji and the Augustus tenements in Western Australia.

Similar investments are under consideration.

SXX will update shareholders on its investment activities as and when appropriate.

For and on behalf of Southern Cross Exploration N.L.

John Smith
Company Secretary