



ASX ANNOUNCEMENT / MEDIA RELEASE

Monday, 8 July 2013

Merger Proceeding Positively

Southern Cross Goldfields and Polymetals Mining

Facility Agreement

Southern Cross Goldfields Ltd ACN 124 374 321 (SXG) (ASX: SXG) is pleased to provide a further update on the proposed merger with Polymetals Mining Limited ACN 075 664 961 (Polymetals) (ASX: PLY) announced on 8 April 2013.

The merger continues to proceed positively and both parties continue to conduct themselves in the cooperative spirit in which the negotiations have progressed.

The process of the merger itself has exceeded expectations in terms of time and costs. In reinforcing the cooperative spirit between the parties, Polymetals has agreed to advance SXG \$500,000 in working capital. The key terms of the arrangement are set out below.

Shareholders of SXG are encouraged to phone the company on 17 July to discuss any aspect of the merger. We also remind shareholders of the key dates associated with the merger.

Important Dates

Event	Date
SXG General Meeting	10.00am (Perth time) on Tuesday, 30 July 2013
Polymetals' General Meeting	10.00am (Brisbane time) on Wednesday, 31 July 2013
Polymetals' Scheme Meeting	10.30am (Brisbane time) on Wednesday, 31 July 2013
Second Court Hearing to approve the Scheme	Monday, 5 August 2013
Effective Date	Tuesday, 6 August 2013
Record Date	Tuesday, 13 August 2013
Implementation Date	Tuesday, 20 August 2013

The above timetable is indicative only and the actual timetable will depend on many factors. These factors include the Court approval process and the time at which the conditions precedent to the Scheme are satisfied or waived (as applicable). These times and dates may vary without directly notifying shareholders, subject to the approval of such variation by ASX, the Court and Polymetals. Any variation to the timetable will be announced to the ASX and will be published on the SXG website.

Key aspects of the facility agreement with PLY are summarised below:

- Amount: \$500,000
- Purpose: Working capital
- Security: Unsecured
- Interest Rate: 20% per annum
- Term: 6 months
- Repayment: 180 days in the event that PLY shareholders do not approve the Scheme, 90 days in the event that SXG shareholders do not approve the Sproule Interest and 5 days in the event that the SXG Board changes its recommendation in light of a Superior Proposal.
- Subordination: subordinated to RMB Australia Holdings Limited

- ENDS -

For further information, please contact:

Glenn Jardine, Managing Director – Southern Cross Goldfields Ltd

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

Refer to www.scross.com.au

Frank Terranova, Managing Director – Polymetals Mining Ltd

Telephone: + 61 7 3289 3313, email: fterranova@polymetals.com

Refer to www.polymetals.com.au

For media inquiries, please contact:

Nicholas Read – Read Corporate

Telephone: +61 8 9388 1474, Mobile: 0419 929 046, email: nicholas@readcorporate.com.au