



Southern Cross Exploration N.L.

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e-lodgement

FOR PUBLIC RELEASE

Manager - Company Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Madam

Re Uranium Project - Mkuju River, Tanzania

Southern Cross Exploration N L (SXX) advises that the company has obtained an initial interest of seven percent (7%) in five uranium exploration licences in Tanzania from a private Tanzanian company. SXX has an option to acquire a further 83% interest, for an expenditure in the region of \$4 million on exploration in tranches over four years.

The uranium tenements, of some 2,160 km², are situated in the highly prospective Mkuju River region of south-western Tanzania. They are underlain by Karoo Group sedimentary rocks in which uranium deposits of the sandstone-hosted roll front type have been discovered in South Africa, Malawi and Tanzania.

The areas are located immediately north of ASX-listed Mantra Resources Ltd's (MRU) Mkuju River Uranium Project. In January 2010, Mantra reported JORC Mineral Resources totalling 82.3M tonnes @ 464 ppm U₃O₈ containing 84.3M pounds of U₃O₈. In mid December 2010, ARMZ, a wholly owned subsidiary of the Russian State Atomic Energy Corp., made a takeover offer for Mantra at \$8/share which imputed a value of \$10.26 per pound U₃O₈ for the Mkuju River resources (offer since revised to \$7 per share after the tragic events in Japan).

Uranex N L (UNX), another ASX-listed company which is exploring for uranium in the same district, announced in early December 2010 the discovery of high grade primary uranium mineralisation in an area adjoining the Mantra Resources deposit. Approximately 300km to the west, in the neighbouring country of Malawi, the Kayelekera Uranium Mine of Paladin Energy Ltd (PDN) is also hosted by Karoo Group sandstones. The Kayelekera Mine has reported mineral resources of 26.2 Mt @780 ppm U₃O₈ containing 46.4M pounds of U₃O₈.

Southern Cross believes these Mkuju River areas are highly prospective for the discovery of economic uranium deposits and is inviting other parties into the joint venture for exploration and development of this project.

SXX is issuing 2,000,000 shares at five (5) cents each in respect of this transaction.

For and on behalf of

Southern Cross Exploration N L

B Ganke
Chairman

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