

## **MATERIAL CHANGE REPORT**

### **Section 75(2) of the Securities Act (Ontario)**

1. **Reporting Issuer:**

Southern Cross Resources Inc.  
26 Wellington Street East  
Suite 820  
Toronto, Ontario  
M5E 1S2

2. **Date of Material Change:**

July 11, 2003

3. **Press Release:**

The press release prescribed by Section 75(1) of the *Securities Act* (Ontario) was issued on July 11, 2003 and is attached hereto as Schedule "A".

4. **Summary of Material Change:**

On July 11, 2003, Southern Cross Resources Inc. (the "Corporation") completed a private placement of 6,816,875 units at a price of CDN\$0.40 per unit. Each unit consisted of one common share of the Corporation and one-half of one Series C common share purchase warrant. In addition, Resources Capital Fund L.P. ("RCF") subscribed for 1,190,476 units pursuant to the private placement at a subscription price of CDN\$0.42 per unit for proceeds of CDN\$499,999.92. Each whole Series C common share purchase warrant entitles the holder to purchase one additional common share of the Corporation at a price of Cdn\$0.65 at any time up to 5:00 p.m. (Toronto time) on July 11, 2005. The total proceeds of CDN\$3,226,749.92 were raised in North America, with Paradigm Capital Inc. acting as agent.

The Corporation and RCF also agreed to an alteration in the restructuring of its US\$5,000,000 loan facility announced in a June 2, 2003 news release. RCF converted US\$2,000,000 of the US\$5,000,000 loan into 6,476,190 units at a conversion price of CDN\$0.42 per unit, with each unit consisting of one common share and three-quarters of a common share purchase warrant. Each whole warrant is exercisable at CDN\$0.65 until July 11, 2005. The term of the remaining US\$3,000,000 of the loan is extended to August 31, 2005. In consideration of such extension the Corporation has issued 6,276,923 common share purchase warrants, exercisable at CDN\$0.65 until August 31, 2005. All 5,850,000 previously issued common share purchase warrants held by RCF have been cancelled.

5. **Full Description of Material Change:**

See attached Schedule "A".

6. **Reliance on Section 75(3) of the Act:**

Not applicable.

7. **Omitted Information:**

Not applicable.

8. **Senior Officer:**

If any further information is required, please contact either, Oliver Lennox-King, Chairman or Don Falconer, Vice-President at (416) 350-3657.

9. **Statement of Senior Officer:**

The foregoing accurately reflects the material change referred to herein.

**DATED** this 17<sup>th</sup> day of July, 2003.

\_\_\_\_\_  
"Oliver Lennox-King"

Oliver Lennox-King  
Chairman

**SCHEDULE "A"**

News release via Canada NewsWire, Toronto 416-863-9350

Attention Business Editors:  
Southern Cross Resources Inc. - Closing of private placement financing

SEC Exemption No. 82-4831  
Trading Symbol: SXR - The Toronto Stock Exchange

TORONTO, July 11 /CNW/ - Southern Cross Resources Inc. (trading symbol "SXR" on the Toronto Stock Exchange) is pleased to announce that it has completed the private placement announced on June 2, 2003, issuing an aggregate of 6,816,875 units at a price of C\$0.40, for gross proceeds of C\$2,726,750. Each unit consists of one common share and one-half of a common share purchase warrant. In addition, Resource Capital Fund (RCF) subscribed for 1,190,476 units pursuant to the private placement at a subscription price of C\$0.42 per unit for proceeds of C\$500,000. Each whole warrant entitles the holder to purchase one additional common share of Southern Cross at a price of C\$0.65 until July 11, 2005. The total proceeds of C\$3,226,750 were raised in North America, with Paradigm Capital Inc. acting as lead agent.

The Company and RCF also agreed to an alteration in the restructuring of its US\$5 million loan facility announced in the June 2, 2003 news release. RCF converted US\$2 million of the US\$5 million loan into 6,476,190 units at a conversion price of C\$0.42 per unit, with each unit consisting of one common share and three-quarters of a common share purchase warrant. Each whole warrant is exercisable at Cdn\$0.65 until July 11, 2005. The term of the remaining US\$3 million of the loan is extended to August 31, 2005. In consideration of such extension, Southern Cross has issued 6,276,923 common share purchase warrants, exercisable at Cdn\$0.65 until August 31, 2005. All 5,850,000 previously issued common share purchase warrants held by RCF have been cancelled.

Proceeds of the financing will be used to conduct a drilling program at new uranium targets at the Honeymoon Project in South Australia, as well as to provide ongoing working capital for the Company. It is anticipated that the drilling program will increase reserves, helping to advance the Project towards commercial production and strengthen the Company's goal of becoming a long-term, low cost uranium producer.

The Company has obtained an approved Environmental Impact Statement, an Export Licence and a Mining Lease, which are the permits required for the Honeymoon Project to proceed towards commercial production at the planned rate of up to 2.2 million pounds per year.

Southern Cross Resources Inc. is a Canadian company engaged in the acquisition, exploration and development of properties for the production of low-cost uranium using the proven in situ leach (ISL) process. Southern Cross now has 45.6 million common shares outstanding and 64.0 million shares on a fully diluted basis.

%SEDAR: 00005203E

/For further information: Oliver Lennox-King, Chairman or Don Falconer, Vice-President - Corporate Development at (416) 350-3657 or dfalconer(at)southerncrossres.com/  
(SXR.)

CO: Southern Cross Resources Inc.

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