FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company:**

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

2. **Date of Material Change:**

August 11, 2005

3. **News Release:**

The press release attached hereto as Schedule "A" was disseminated via Canada NewsWire on August 12, 2005.

4. **Summary of Material Change:**

See attached Schedule "A".

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

On August 18, 2005, Southern Cross Resources Inc. (the "Corporation") completed a private placement issuing 2,727,300 Flow-Through Common Shares priced at $1.10 and 3,157,895 Common Shares priced at $0.95 for a total gross proceeds of $6,000,030.00.

6. **Reliance on subsection 7.1(2) or (3) National Instrument 51-102:**

The report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

7. **Omitted Information:**

No information has been omitted from this material change report on the basis that it is confidential information.

8. **Executive Officer:**

The following executive officer of the Corporation is knowledgeable about the material change:

Donald Falconer
Vice-President, Corporate Development
(416) 350- 3657

Dated at Toronto, Ontario this 24th day of August, 2005.

SOUTHERN CROSS RESOURCES INC.

By: Mark Wheatley

Mark Wheatley
CEO

SCHEDULE "A"

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

Attention Business Editors:
Southern Cross Resources announces successful completion of $6 million private placement

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SEC Exemption No. 82-4831

Trading Symbol: SXR - The Toronto Stock Exchange

TORONTO, Aug. 12 /CNW/ - Southern Cross Resources Inc. (trading symbol "SXR" on the Toronto Stock Exchange) is pleased to announce that the Company has successfully completed the private placement announced on July 25, 2005, issuing 2,727,300 Flow Through Common Shares priced at $1.10 raising C$3,000,030 and issuing 3,157,895 Common Shares priced at $0.95 raising C$3,000,000 for total gross proceeds of C$6,000,030. Both Flow Through Common Shares and Common Shares have a four-month hold period expiring on December 12, 2005. The syndicate for the offering was led by Paradigm Capital Inc. and Dundee Securities Corp., and included Toll Cross Securities Inc.

The proceeds from the sale of Flow-Through Common Shares will fund exploration under the Company's Joint Venture with Pitchstone Exploration Ltd. (Pitchstone). The exploration expenditures will be used for qualifying Canadian Exploration Expenses under the Income Tax Act (Canada).

Geophysical surveying and analysis completed in February 2005 refined existing drill targets and identified new ones (see press release dated February 28, 2005, filed on www.sedar.com). The next phase of exploration, scheduled for the fall of this year, will focus on drilling these targets with an initial 8,600 metres of diamond drilling commencing at the road-accessible Waterfound property.

Drilling will then move to the more advanced Darby/Candle property once the winter freeze allows for mobilization of equipment. Additional geophysical surveying is planned on other targets on the highly prospective Pitchstone properties, where over 60 km of conductors have been identified.

The joint venture Pitchstone properties are located in the Athabasca Basin and include Waterfound, Darby/Candle, Moon Lake and Lynx Lake properties and are located in close proximity to Cameco's McArthur River, Cigar Lake and Millennium properties.

The proceeds of the Common Shares will be used to fund the management of the Pitchstone joint venture, and for Australian exploration and other corporate expenditures.

After giving effect to the private placement, Southern Cross will have 76,717,502 common shares issued and outstanding and 83,559,960 shares on a fully-diluted basis.

This news release is not an offer of securities for sale in the United States. The securities comprising the private placement have not been, and will not be, registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent such registration or an exemption from registration.

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/For further information: please contact Don Falconer, Vice-President - Corporate Development, (Toronto), (416) 350-3657 - Ext. 22, email: dfalconer(at)southerncrossres.com/
(SXR.)

CO: Southern Cross Resources Inc.

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