ASX Release

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Bruce Fulton
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Issued Shares and Options:

Shares: 35 million
Listed options: 10 million
Unlisted options: 6 million

ASX Codes: *SWR, SWRO*

Resource Drilling Underway at Xiluvo

- **Southern Crown has commenced resource definition drilling at its Xiluvo Rare Earth Project in Mozambique.**
- **Historical results show that the soils contain up to 3.2% total rare earth oxide (TREO) over an area of 400m x 300m to depths of up to 8m.**
- **Soils have significant concentrations of more valuable heavy rare earths, in particular Europium (Eu), Dysprosium (Dy) and Terbium (Tb).**
- **Successful drilling results could provide Southern Crown with a JORC compliant resource next quarter.**

The Directors of Southern Crown Resources Limited **("Southern Crown"** or **"the Company")** are pleased to announce that drilling has commenced on its Xiluvo Rare Earth Element (REE) Project in Mozambique.

Good progress has been made on a program of 50m x 50m spaced auger holes over a pocket of REE enriched elluvial soils identified during early exploration on the Xiluvo carbonatite complex. The program is being undertaken by specialists in the sampling of unconsolidated deposits. The program will use a powered sheathed auger technique and involve drilling and sampling of more than 250 holes with depths averaging between 3-6m.

Southern Crown's Managing Director, Jock Harmer commented: *"The Company has hit the ground running with exploration progressing well at both its Xiluvo and Nkombwa REE projects. The current drill program on Xiluvo will allow a resource calculation to be completed during next quarter. To move from finalizing the acquisition of the REE projects to a potential resource in under 6 months is excellent progress that will stand us in good stead to achieve our aim of early production."*

The soils have accumulated in an internal basin within the central topographic bowl of the Monte Xiluvo structure and derive from material shed predominantly from the central carbonatite plugs. Reconnaissance exploration of the soils involved sampling 20-30 hand-excavated pits and returned an average total REE as oxide (TREO) concentration of 2.2% (concentration range 1.8-3.2%).

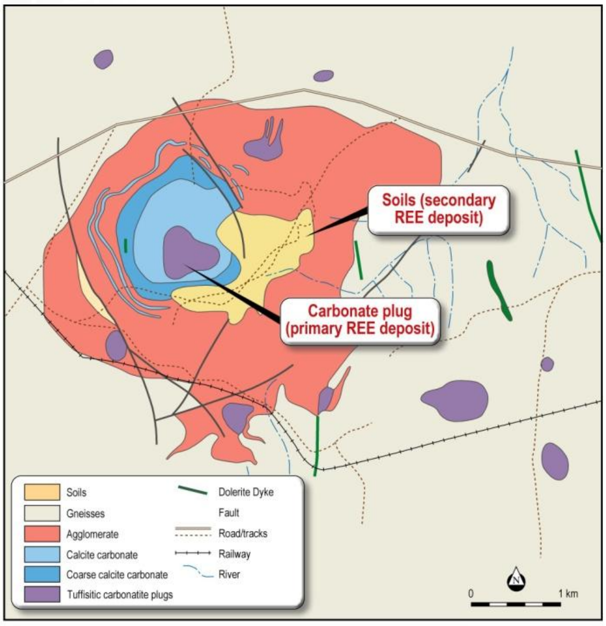

Figure 1: Geological sketch map of the Monte Xiluvo carbonatite complex showing the location of the REE enriched soils.

Assay data from the drilling program and soil density measurements will be used to derive a JORC-compliant resource estimate during the next quarter.

Concentrations of the more valuable heavy REEs (Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu plus Y) are significant in the Xiluvo soils contributing 7.7% of the total average REE concentration. The REE contents in the Xiluvo soils are comparable, both in total REE content and in relative proportions of the individual REE, to the indicated mineral resource in the Sandkopsdrift deposit reported by Frontier Rare Earths Ltd (NI 43-101, 28 September 2011). Frontier are listed on the TSX (TSX:FRO) with a current market capitalization of over $195 million (19 July 2011).

The unconsolidated Xiluvo soils offer the prospect of a relatively easily and cheaply exploitable source of rare earths, with no or limited stripping of overburden, no blasting or crushing, and excellent road and rail access to the port of Beira, Mozambique.

Should the resource estimate confirm the REE concentration recovered from the exploration pits, the Company will proceed immediately with intensive test work to identify an optimum process to concentrate the REE from the soils.

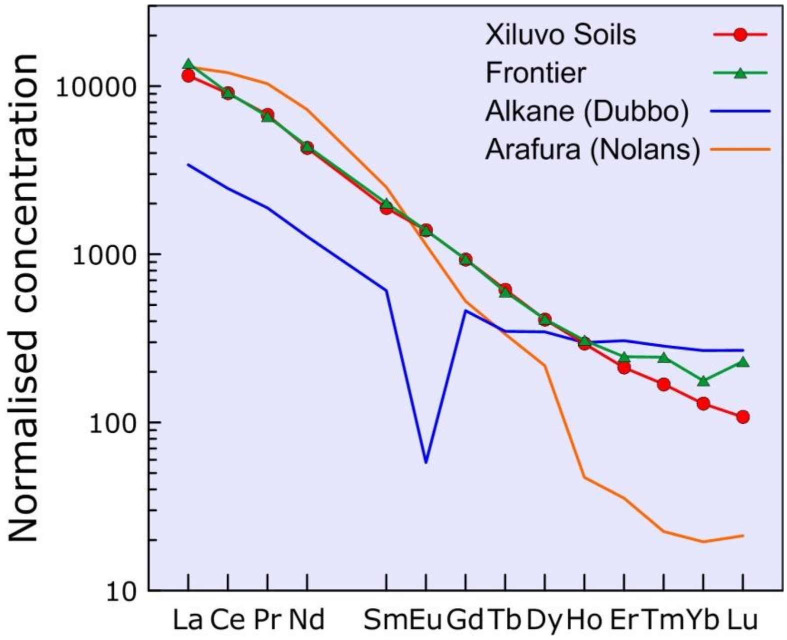

Figure 2: Normalised plot comparing the REE concentrations in the Xiluvo Soils with selected advanced exploration projects

Xiluvo data based on average of all available exploration results (TREO range 1.8-3.2%). Source of data: *Frontier*: NI 43-101 of 21 September 2010; *Arafura*: company website; *Alkane*: Quarterly Report 22 October 2010.
Plotted data are normalised by dividing individual REE concentrations by the concentration in chondritic meteorites.

The Xiluvo REE Project

Southern Crown's Xiluvo REE Project covers part of the Monte Xiluvo carbonatite complex situated in the Sofala Province of Mozambique 110 kms inland of the major Mozambique port of Beira. Access to Xiluvo is excellent – the complex is bound on the northern side by the paved EN6 national road and on the west and south by the national rail routes linking Zimbabwe (via Mutare) and Beira.

The company has a Joint Venture Agreement with Promac Lda, a Mozambican quarrying and construction company that holds a mining license over the area and operates a quarrying operation exploiting the calcitic carbonatite for use as construction aggregate. According to the Agreement Southern Crown can earn up to 85% ownership of the REE assets by spending US$1,000,000 developing the project.

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About Southern Crown Resources Limited

Southern Crown Resources Limited listed on the ASX on 2nd December 2010 and on 5th May 2011 completed the acquisition of Rare Earth International.

Southern Crown immediately commenced exploring the Nkombwa and Xiluvo projects located in Zambia and Mozambique respectively. Both Nkombwa and Xiluvo are large rare earth enriched carbonatite complexes. Historical core drilling at Nkombwa has identified intercepts of mineralised carbonatite returning high grades between 5 - 8% TREO. Sampling at Xiluvo has highlighted TREO enriched soils up to 3.2% TREO at shallow depths between 1 - 8m.

The Company continues to evaluate additional mineral projects considered likely to add value to shareholders.

The Board of Directors has a strong mix of technical, financial and corporate skills to successfully explore the Company's existing projects as well as source and develop further acquisition opportunities globally.

Competent Person's Statement

The information in this report that relates to Exploration Results, Mineral Resources and/or Ore Reserves is based on information provided by Dr R.E. "Jock" Harmer, PrSciNat, FGSSA an employee of Southern Crown Resources Limited. Dr Harmer has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.