

ASX Release

15 September 2014

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Issued Shares and Options:

Shares: 37.5 million
Unlisted options: 1.5 million

ASX Code: SWR

GROUND MAGNETIC SURVEY CONFIRMS MAJOR STRUCTURAL CORRIDOR

Highlights

- Southern Crown has completed a detailed ground magnetic survey over the Luna–Luna East prospects.
- Magnetic survey has highlighted a major NE fault and dyke system, analogous to an IRG system and a potential breccia pipe.
- A scout geochemical sampling program commenced during August to test the top of the bedrock and target follow-up exploration.
- The Company has completed an over-subscribed placement, receiving commitments for \$650,000 to meet exploration expenditure.

The Directors of Southern Crown Resources Limited ("**Southern Crown**" or "**the Company**") are pleased to report the results of the detailed ground geophysics survey conducted on the Luna-Quicksilver project during August 2014.

The Luna-Quicksilver project consists of the 50 Luna claims, owned by Kisa Inc, the 70 Quicksilver claims owned by Black Peak LLC and 13 North Quicksilver claims owned by North Fork LLC, totaling an area of 86km², all 100% optioned by Southern Crown.

The Luna-Quicksilver project is located in the Tintina Gold belt, a belt which hosts a number of world class intrusion related gold ("IRG") systems including Donlin Creek (45Moz @ 2.21g/t), Pogo (5Moz @ 12.45g/t), Fort Knox (produced over 5Moz), Livengood (20Moz @ 0.55g/t) and Shotgun (0.7Moz @ 1.02g/t).

The ground magnetic survey at Luna-Quicksilver has highlighted the potential for felsic dykes and sills within the altered surrounding sediments (Figure 3). In addition, the survey has highlighted a major NE trending structural break SE of Luna-Quicksilver that can be observed readily in the field. Several cross cutting structures and a potential breccia pipe have been interpreted from the magnetic data requiring field validation.

Southern Crown's Chairman, Rhod Grivas commented: "***The ground geophysics has provided a better understanding of the Luna-Quicksilver prospects and has highlighted a number of areas in addition to the outcropping sulphidic veins that warrant testing with the scout geochemical program.***"

We have made good progress on completing a number of exploration initiatives during the remaining field season, this includes the ground magnetics but also channel sampling, scout geochemical drilling, surface geochemical sampling and local and regional geological mapping."

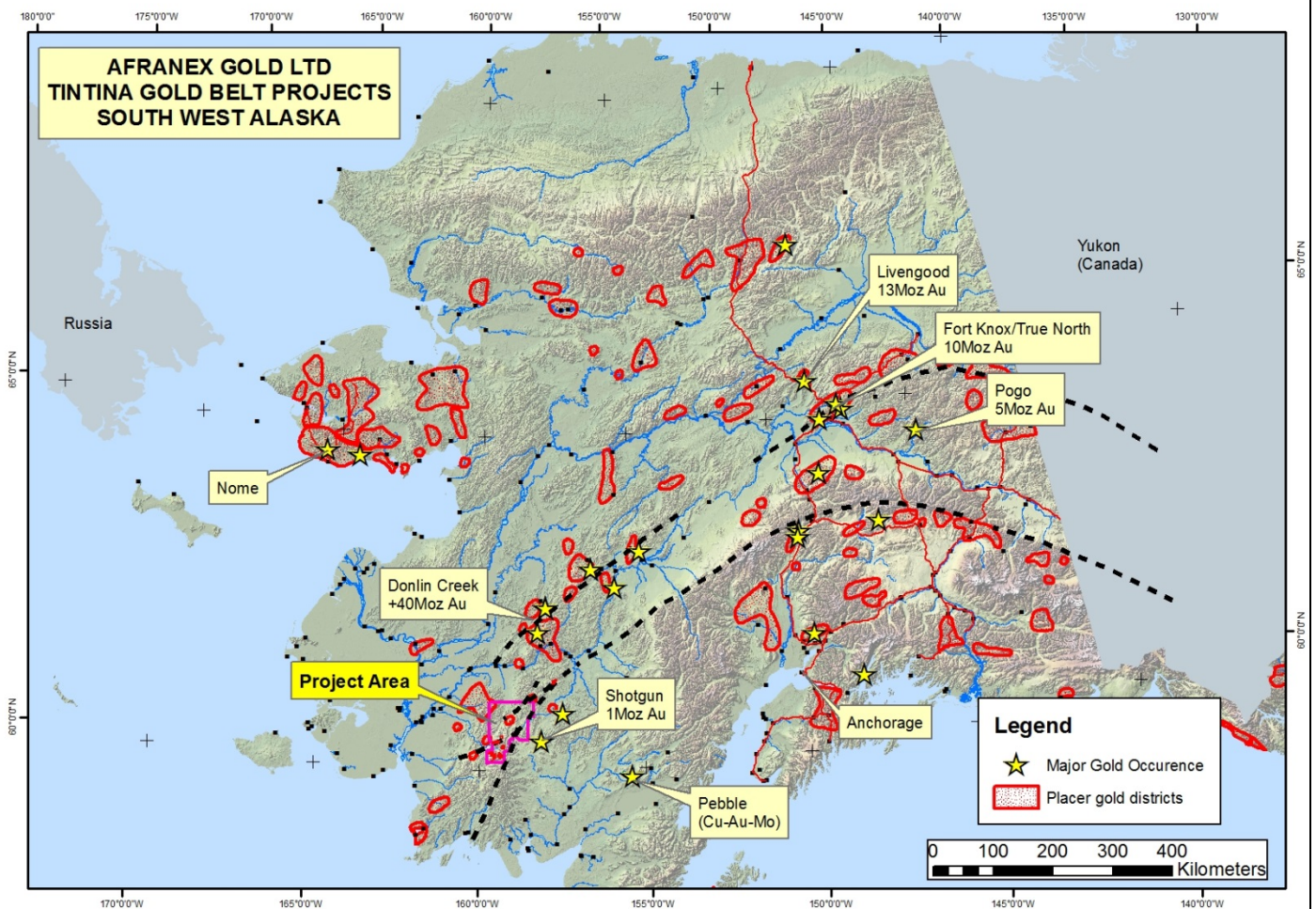


Figure 1: Tintina gold belt showing project area in SW Alaska, 200km from Donlin Creek deposit

LUNA-QUICKSILVER PROJECT

The Luna-Quicksilver project has undergone sporadic exploration since 2006 with no previous drilling, hamstrung by limited budgets and lack of focus. Several phases of geological mapping, stream and rockchip geochemistry, channel sampling and geophysics have highlighted mineralization over 5km of strike in a much larger 40km mineralised structure. A shear zone with over 700m of width has been mapped along the river beds underneath alluvial cover, representing the potential for a big target system close to the surface (Figure 2).

GEOPHYSICS

Although a number of geophysical programs have been conducted at Luna-Quicksilver including regional magnetics, helimagnetic, and wide spaced ground magnetics, IP and EM, no detailed survey existed directly over the Luna and Luna East sulphidic vein sets. During early August SJ Geophysics on behalf of Southern Crown, completed a 102 line km survey on 38 lines spaced 100m apart, with a 12.5m sampling frequency.

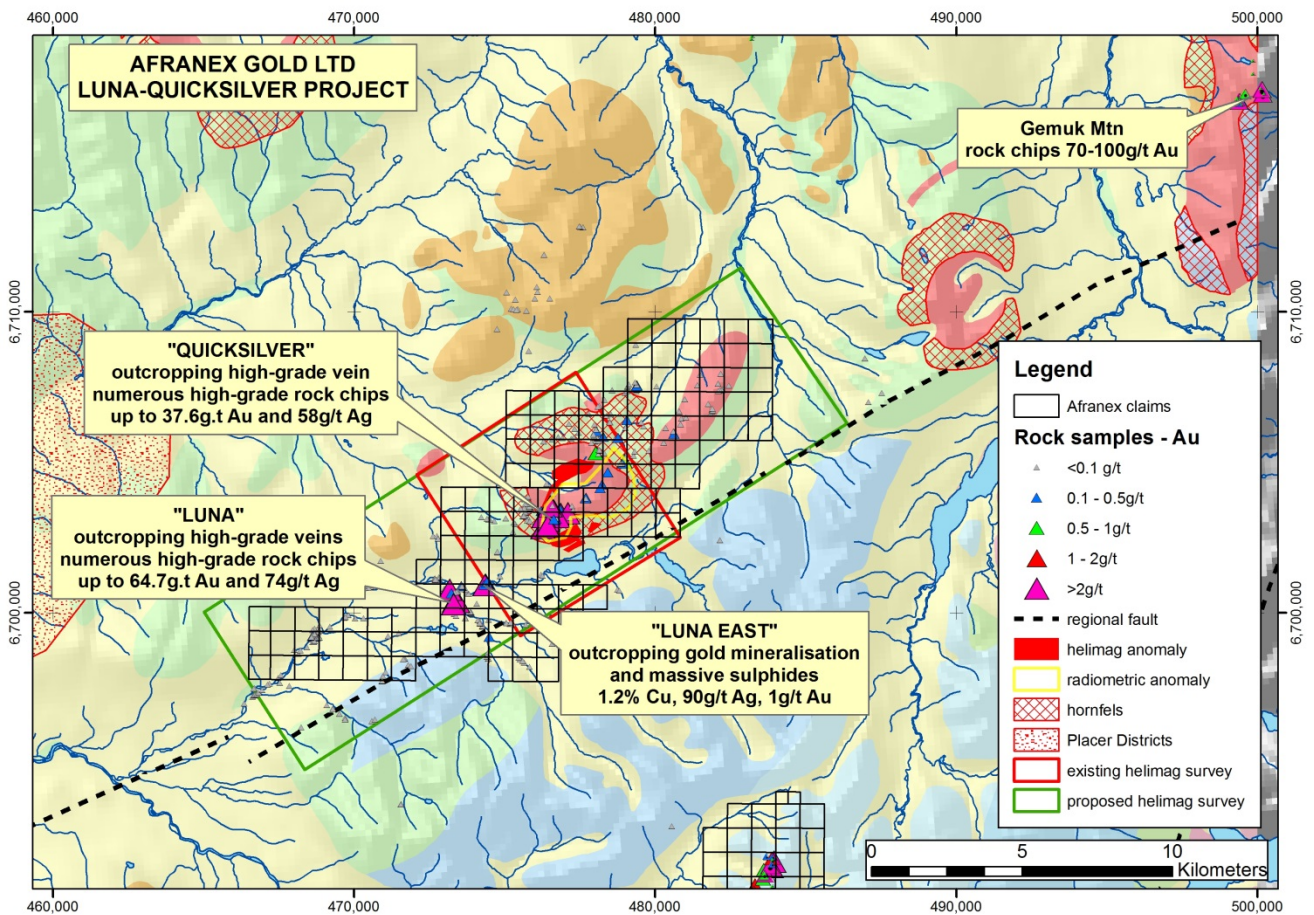


Figure 2: Luna-Quicksilver showing outcropping veins in structural corridor

The resulting levelled magnetic response (Figure 3) shows a very clear structural 'break' striking NE, representing a fault (Luna Fault). The current geochemical scout drilling has shown the weathering to increase in proximity to the fault zone and evidence of the fault can be seen in geological outcrops. To the SE of the fault a lower magnetic unit characterized by the green blue coloration is disrupted by higher magnetic NE lineation's, which appear to be associated with dyke systems. Scout drilling has been extended across these features.

Passing through the middle of the survey striking north-south is a major cross-cutting structure close to the Luna outcrop and extending north into the Quicksilver helimagnetic survey area, impacting the major Luna Fault. In addition, the northern section of the survey area hosts a discrete magnetic 'low' which looks similar to features at Quicksilver which have been mapped as breccia pipes.

EXPLORATION PROGRESS

During August channel sampling commenced along the river banks below the overburden. The channel sampling involves digging away up to 0.5m of overburden to expose underlying bedrock. Work done during the due-diligence has indicated that this is an effective way of channel sampling and geological mapping of the bedrock, similar to what would be achieved by trenching several metres through the overburden.

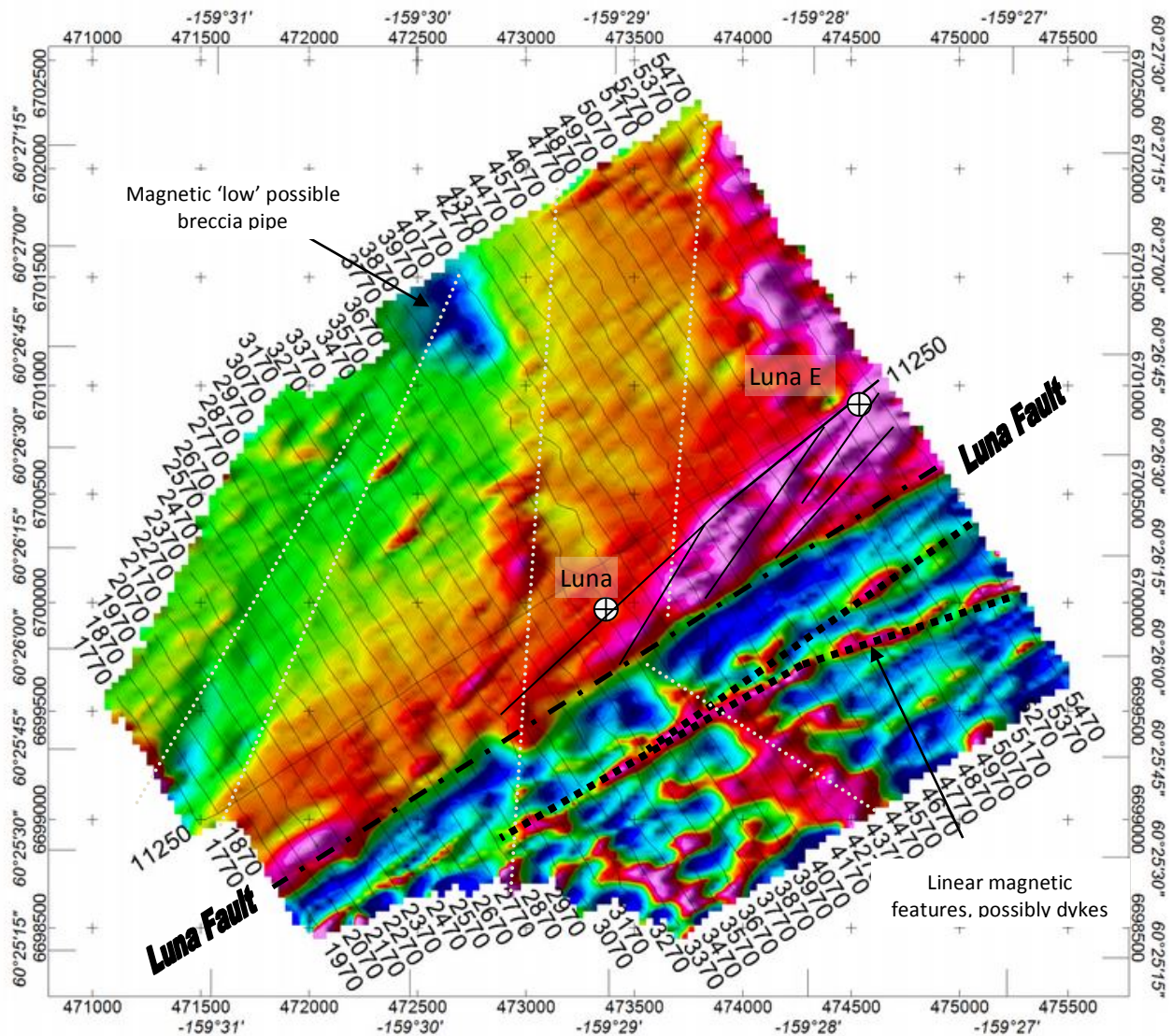


Figure 3: Luna ground magnetic survey

To date a total of 1600ft (487m) of bedrock channels have been exposed from strategic locations along the stream cut banks around Luna-Luna East. Samples were collected at 10ft (3m) intervals for a total of 160 samples. Samples are in transit to an ALS laboratory in Fairbank, Alaska.

During August an auger rig was transported to the Luna-Quicksilver prospect to conduct geochemical scout drilling through the cover to test the top of bedrock. Early geological logging has located the Luna Fault and associated fault clays, sulphides associated with the Luna outcrop and dykes located SE of the Luna fault. Samples are being collected for analysis.

CAPITAL RAISING

The Company successfully completed an oversubscribed placement to raise \$650,000 to provide funding for the exploration and ongoing commitments associated with the Alaskan projects. A total of 7.5M shares were issued on 8 September 2014, a further 5.5M shares are to be issued subject to shareholder approval, with a shareholders meeting scheduled for 17 October 2014.

For further information please contact:

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Competent Person's Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Rhoderick Grivas, an employee of the Company and a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Grivas has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grivas consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 1

JORC TABLE 1

Section 1 Sampling Techniques and Data

Criteria	Explanation	Notes
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	- n/a for ground magnetic survey - n/a for ground magnetic survey - n/a for ground magnetic survey
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	n/a for ground magnetic survey
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	n/a for ground magnetic survey
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	n/a for ground magnetic survey
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field	n/a for ground magnetic survey

Criteria	Explanation	Notes
	duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.	
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	n/a for ground magnetic survey
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	n/a for ground magnetic survey
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	Magnetic reading were recorded using a Garmin GPSMap62S in UTM NAD83 Zone 4N – 4m accuracy
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	n/a for ground magnetic survey
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The ground magnetic survey was oriented to record magnetic data perpendicular to the main structural trend to provide maximum magnetic information.
Sample security	The measures taken to ensure sample security.	Magnetic data was collected by SJ Geophysics and emailed direct to Southern Crown.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits was conducted, but results were in line with previous broad magnetic surveys

JORC TABLE 1
Section 2 Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	Afranex employs a permit manager who ensured the tenure documentation is up to date. The claims can be viewed on the Alaska department of Natural Resources website. ACA Howe completed an independent review during April 2013, no independent review has been completed since.
Exploration done by other parties	Afranex engaged ACA Howe to write a 43-101 standard report on the projects. It details all exploration by other companies. A database and reports has also been provided by previous explorers.
Geology	The mineralisation is located in a major NE regional shear zone associated with the bounding faults of the Tintina gold belt. Intrusions into the regional belt have hornfels and altered surrounding sedimentary country rock. Mineralisation has been emplaced in and around the intrusions suggesting the Luna-Quicksilver prospects have the potential to be IRG systems.
Drill hole Information	No drilling has been conducted by Southern Crown or Afranex. Historical drillhole information does not relate to Luna-Quicksilver.
Data aggregation methods	No data aggregation methods have been used.
Relationship between mineralisation widths and intercept lengths	No drilling has been conducted by Southern Crown or Afranex. Historical drillhole information that relates to Kisa represents wide low grade mineralization contained within a breccia pipe.
Diagrams	Diagrams provided show location of projects, location of ground geophysics and some rockchips results.
Balanced reporting	Exploration is at an early stage and surface geochemistry and geophysics has been collected over all prospects over a 7 year period. Details have been provided in separate release on 20 Aug 2014.
Other substantive exploration data	Data provided on 20 August details early stage exploration including other geophysics, geological mapping and surface geochemistry. No drilling has been conducted by previous explorers at Luna-Quicksilver
Further work	Company is conducting the next stage of exploration which includes geological mapping, surface and bedrock geochemistry to better locate follow-up targets.