

Form 45-103F4
Report of Exempt Distribution

Issuer information

1. State the full name, address and telephone number of the issuer of the security distributed. Include former name if name has changed since last report. If this report is filed by a vendor, other than the issuer, also state the full name and address of the vendor.

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

RECEIVED
25 AUG 2005
AM 11:16

2. State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

Reporting issuer in Ontario and New Brunswick.

Details of distribution

3. State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

August 11, 2005

4. For each security distributed:
- (a) describe the type of security, and
 - (b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date.

2,727,300 Flow-Through Common Shares ("FT Shares") at a price of \$1.10 per share, and 3,157,895 Common Shares ("CS Shares") priced at \$0.95 per share.

5. Provide details of the distribution by completing the attached schedule.
6. Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Provide a total dollar value of all securities distributed in all jurisdictions. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 7, below.

Each jurisdiction where purchasers reside	Price per security (Canadian \$)	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia – FT Shares	\$1.10	\$210,980.00
British Columbia – CS Shares	\$0.95	\$0.00
Alberta – FT Shares	\$1.10	\$375,100.00
Alberta – CS Shares	\$0.95	\$0.00
Ontario – FT Shares	\$1.10	\$2,413,950.00
Ontario – CS Shares	\$0.95	\$2,681,845.25
Foreign – CS Shares	\$0.95	\$318,155.00
Total dollar value of distribution in all jurisdictions (Canadian \$)		\$6,000,030.25

Commissions and finder's fees

7. Provide the following information for each person who is being compensated in connection with the distribution(s). When disclosing compensation paid or to be paid, include discounts, commissions or other fees or payments of a similar nature directly related to the distribution. Do not include payments for services incidental to the trade, such as clerical, printing, legal or accounting services.

Full name and address of person being compensated	Compensation paid (in Canadian \$ and, if applicable, number and type of securities)	Exemption relied on and date of distribution (if applicable)	Price per share (Canadian \$)
Paradigm Capital Inc. 95 Wellington Street West, Suite 2101 Toronto, Ontario M5J 2N7	Cash commission: \$137,700.60	s.5.1 of MI45-103	N/A
Dundee Securities Corporation 4th floor 20 Queen Street West Toronto, ON M5H 3R3	Cash commission: \$119,700.60	s.5.1 of MI45-103	N/A
Toll Cross Securities Inc. Royal Trust Tower, Suite 3120 P.O. Box 138 77 King Street West Toronto, Ontario M5K 1H1	Cash commission: \$102,600.52	s.5.1 of MI45-103	N/A

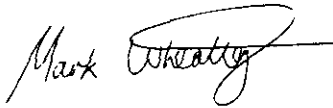
Certificate

On behalf of the issuer, I certify that the statements made in this report and in each schedule to this report are true.

Date: August 24, 2005

Southern Cross Resources Inc.
Name of issuer or vendor (please print)

Mark Wheatley, Chief Executive Officer
Print name and position of person signing

A handwritten signature in black ink, appearing to read "Mark Wheatley", written over a horizontal line.

Signature