

## SXG RAISES \$16M FOLLOWING 305.8m @ 2.4 g/t AuEq INTERSECTION

22 NOVEMBER 2022

**Melbourne, Australia — Southern Cross Gold Ltd (“SXG” or the “Company”) (ASX:SXG)** is pleased to announce that it has secured firm commitments for a Placement of shares (“New Shares”) to institutional and sophisticated investors to raise \$16.0 million (before costs) (the Placement).

### HIGHLIGHTS

- Firm commitments received under a placement to raise \$16 million (before costs) at \$0.58 per New Share, a 11.5% premium to the 15-day volume-weighted average price (“VWAP”) and a 1.7% discount to the last traded price prior to the Placement being announced. Strong support was received from institutional and sophisticated investors and SXG Directors.
- As announced by the Company on November 21, 2022<sup>1</sup>, a wide intersection of gold-antimony mineralisation grading **305.8 m @ 2.4 g/t AuEq (1.6 g/t Au, 0.5% Sb)** from 319.2 m was drilled in hole SDDSC050 at the 100%-owned Sunday Creek Gold-Antimony Project in Victoria.
- Funding will be used to add additional drill rigs with up to five diamond drill rigs planned (up from three active drill rigs operating today), to advance exploration at Sunday Creek.

The Placement will result in the issue of 27,586,207 New Shares with approximately 20,437,000 New Shares being issued in accordance with the Company’s placement capacity with ASX Listing Rule 7.1 and 6,959,552 New Shares being issued in accordance with the Company’s placement capacity with ASX Listing Rule 7.1A. The remaining shares for the Director participation will be subject to shareholder approval.

The Placement was led by Bell Potter Securities Limited.

**Southern Cross Gold’s Managing Director, Michael Hudson says,** *“We are thankful for the continued support of our existing shareholders and welcome all new parties to our register in this strongly supported capital raise. Southern Cross will mobilise up to five diamond drill rigs to the 100%-owned Sunday Creek gold-antimony project in Victoria (up from three active drill rigs operating today), while maintaining joint venture and working capital commitments across all projects. We thank all parties involved, including our lead manager Bell Potter Securities Limited, as we now go forward with an extremely strong shareholder base.”*

### Sunday Creek Project – Results and Activity

As announced by the Company on November 21, 2022<sup>1</sup>, a spectacularly wide intersection of gold-antimony mineralisation grading **305.8 m @ 2.4 g/t AuEq (1.6 g/t Au, 0.5% Sb)** from **319.2 m** was drilled in hole SDDSC050 at the 100%-owned Sunday Creek Project in Victoria.

Only 67% of SDDSC050 has been assayed so far, with assays reported from 0 m to 651 m downhole, with the hole completed at 923.7 m. The hole is the deepest hole on the property by 404.5 m (previous deepest hole was MDDSC026 at 519.2 m).

#### SOUTHERN CROSS GOLD LTD

Level 21, 459 Collins Street, Melbourne Vic 3000 Australia  
Justin Mouchacca - Company Secretary  
p: +61 3 8630 3321 e: jm@southerncrossgold.com.au  
Nicholas Mead - Investor Relations  
p: +61 415 153 122 e: info@southerncrossgold.com.au

ABN: 70 652 166 795  
ASX Code: SXG  
Issued Capital: 156.2M fully paid shares

To date within the 305.8 m intersection, the drill hole has intersected **12 high-grade intersections >20 g/t Au, including 5 high-grade intersections >100 g/t Au with assays up to 181.0 g/t Au and 9.7% Sb (196.3 g/t AuEq)** with multiple visible gold intersections. SDDSC050 is parallel to the host breccia dyke but at a high angle to the predominant NW high-grade mineralisation trend and therefore the true thickness of the mineralised interval is interpreted to be approximately 60-70% of the sampled thickness.

Drilling with three rigs is in progress at Sunday Creek at the Golden Dyke, Rising Sun and Apollo prospects. Six holes (SDDSC048A/50/51/52/53/54) are being geologically processed and analysed, with two holes (SDDSC055/56) still in progress (Figure 3).

### Placement Additional Details

Below is an indicative timetable for the Placement:

Event	Date
Announcement of Placement and return to trading on ASX	Tuesday, 22 November 2022
Settlement of Placement	Friday, 25 November 2022
Allotment and normal trading of New Shares	Monday, 28 November 2022

In addition to the 27,586,207 shares to be issued as a result of the placement, Bell Potter Securities Limited will be issued 3 million options with an exercise price of \$0.87 (87 cents), expiring three years from their issue date. The options will be issued in accordance with the Company's placement capacity under ASX Listing Rule 7.1.

The Directors of SXG each participated in the Placement for a total of \$110,000. In accordance with the ASX Listing Rules these shares will be issued subject to approval of shareholders. A meeting of shareholders will be arranged by the Company in due course.

### Gold Equivalent Calculation

SXG considers that both gold and antimony that are included in the gold equivalent calculation ("AuEq") have reasonable potential to be recovered at Sunday Creek, given current geochemical understanding, historic production statistics and geologically analogous mining operations. Historically, ore from Sunday Creek was treated onsite or shipped to the Costerfield mine, located 54 km to the northwest of the project, for processing during WW1. The Costerfield mine corridor, now owned by Mandalay Resources Ltd contains 2 million ounces of equivalent gold (Mandalay Q3 2021 Results), and in 2020 was the sixth highest-grade global underground mine and a top 5 global producer of antimony.

SXG considers that it is appropriate to adopt the same gold equivalent variables as Mandalay Resources Ltd in its Mandalay Technical Report, 2022 dated 25 March 2022. The gold equivalence formula used by Mandalay Resources was calculated using recoveries achieved at the Costerfield Property Brunswick Processing Plant during 2020, using a gold price of US\$1,700 per ounce, an antimony price of US\$8,500 per tonne and 2021 total year metal recoveries of 93% for gold and 95% for antimony, and is as follows:  **$AuEq = Au (g/t) + 1.58 \times Sb (\%)$** .

Based on the latest Costerfield calculation and given the similar geological styles and historic toll treatment of Sunday Creek mineralisation at Costerfield, SXG considers that a  **$AuEq = Au (g/t) + 1.58 \times Sb (\%)$**  is appropriate to use for the initial exploration targeting of gold-antimony mineralisation at Sunday Creek.

- Ends -

This announcement has been approved for release by the Board of Southern Cross Gold Ltd.

### Competent Person Statement

Information in this announcement that relates to new exploration results contained in this report is based on information compiled by Mr Michael Hudson, a Fellow of the Australasian Institute of Mining and Metallurgy. He is MD for Southern Cross Gold Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity being undertaking 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 (the JORC Code). Michael Hudson has consented to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Certain information in this announcement that relates to prior exploration results is extracted from the Independent Geologist's Report dated 16 March 2022 which was issued with the consent of the Competent Person, Mr Terry C. Lees. The report is included the Company's prospectus dated 17 March 2022 which was released as an announcement to ASX on 12 May 2022 and is available at [www2.asx.com.au](http://www2.asx.com.au) under code "SXG". The Company confirms that it is not aware of any new information or data that materially affects the information related to exploration results included in the original market announcement. The Company confirms that the form and context of the Competent Persons' findings in relation to the report have not been materially modified from the original market announcement.

Previously reported drill results<sup>1</sup> can be accessed from the follows: <https://wcsecure.weblink.com.au/pdf/SXG/02600549.pdf>

### About Southern Cross Gold Ltd



The Southern Cross Gold corporate branding embodies important characteristics of the new entity. The blue lettering acknowledges the state colour of Victoria, and the gold recognises the Victorian goldfields. The Southern Cross is a constellation also represented on the Australian flag which provides a strong cultural significance to all Australians. The main 7-pointed star represents the unity of the six states and the territories of the Commonwealth of Australia and the

addition of a miner's pickaxe within the body of the star reflects the central place that mineral exploration has in Australia and, of course, to Southern Cross Gold.

**For further information, please contact:**

**Justin Mouchacca, Company Secretary, [jm@southerncrossgold.com.au](mailto:jm@southerncrossgold.com.au), +61 3 8630 3321**

**Nicholas Mead, Investor Relations, [nm@southerncrossgold.com.au](mailto:nm@southerncrossgold.com.au), +61 415 153 122**