

24 AUGUST 2023

SXG OUTLINES EXPLORATION STRATEGY AND UPCOMING CATALYSTS

Melbourne, Australia — Southern Cross Gold Ltd (“SXG” or the “Company”) (ASX: SXG) announces its ongoing drill strategy and upcoming news flow at its 100%-owned Sunday Creek project in Victoria, Australia (Figure 1).

HIGHLIGHTS

- **Sunday Creek is a significant Australian gold discovery:**
 - The Company continues to deliver an exceptional hit rate from Sunday Creek that compares favorably with leading hit rates for this stage of the project’s development. In total, 31 individual intersections have ranged between 50 - 100 AuEq g/t x m (“AuEq g/t x width in m”) and 15 individual intersections have exceeded 100 AuEq g/t x m.
- **The Company's drilling plan has three clear objectives that will have the largest emphasis over the next six months:**
 - a) **Demonstrate Grade.** Add and connect the existing high-grade zones in and around Rising Sun (SDDSC046: 21.5 m @ 15.0 g/t AuEq incl. 2.1 m @ 121.6 g/t AuEq) and Apollo (SDDSC066: 10.4 m @ 22.4 g/t AuEq incl. 1.0 m @ 224.3 g/t AuEq).
 - b) **Demonstrate Volume.** Along strike and down-dip by step-out drilling to add to the existing mineral endowment. To date our focus area has been a 1,000 m strike to 1,000 m depth, of which we have only tested less 50%. All mineralised occurrences at Apollo, Rising Sun, Golden Dyke and Christina are all open down dip and along strike.
 - c) **Demonstrate Scale.** Exploration at Sunday Creek has district-scale potential. There is an 11 km mineralized trend extending beyond the initial target drill area, defined by historic workings and soil sampling. This large footprint is being drill tested for the very first time at the Tonal, Consols and Leviathan prospects. Twelve holes for 2,383 m have now been completed within the regional area between 3,500 m to 7,500 m along strike from the core drill area. Results from the program will soon be available and released imminently (Figure 5)
- With four diamond drill rigs operating at site, **the plan is to drill an additional 26,000 m by April 2024**, with 17,800 metres drilled so far in 2023.
- **News flow will be continuous** as the project grows and continues to be de-risked by this three-pronged drill strategy. Fourteen holes are now being processed and analysed. Four are in progress (Figures 3 and 4).
- With over \$15M cash (as of 31 May, 2023), the company is **fully funded and permitted** to execute on its strategy.

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ABN: 70 652 166 795
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Issued Capital: 184.0M fully paid shares

Southern Cross Gold's Managing Director, Michael Hudson, states, *"SXG is undertaking a logical and clear multi-target drilling strategy to build ounces. Each drillhole increases our confidence in the Sunday Creek mineral system with both wide and extremely high grades continuing to be drilled over a large area. The Sunday Creek project is maturing with almost 40,000 m of diamond drilling completed and with an increased understanding, gold is now predictable and targetable."*

"At Sunday Creek, gold and antimony form in veins that cut across a steeply dipping zone of intensely altered rocks (the "host"). When looked down from above, in plan view, the host resembles the side rails of a ladder, where the mineralised veins are the rungs (Figure 2). These 'rungs' extend 350 m to 850 m deep, are 10 m to 20 m wide, and 20 m to 100 m in strike. Our systematic drill program is strategically targeting these significant vein formations, initially along 1,000 m strike of the host, of which approximately 400 m has been more intensively drill tested. 22 'rungs' have been discovered to date, defined by high-grade intercepts (20 - 400 g/t Au) and lower grade edges, with ongoing step-out drilling aiming to uncover the potential extent of this mineralised system. With the host extending 11 km in length, over 850 m deep and 40 - 150m wide, we are only scratching the surface on the opportunities that await at Sunday Creek."

"We are excited that over the short term, SXG plans to be making releases on holes that demonstrate continuity of high grades, and extensions down dip and along strike, in addition to regional drilling results up to 7,500 m from the core area."

Update on Current Drilling

Drilling with four rigs is in progress at Sunday Creek. Twelve holes (SDDSC068, 73, 77B, 79-81, 82, 83, 86-89) are currently being geologically processed and chemically analysed, with four holes (SDDSC082, 85, 90, 91) in drill progress (Figure 3 and 4).

Twelve holes (SDDTS001-7, SDDCN001 and SDDL001-4) for 2,383 m (including two redrilled collars) have now been completed at the Leviathan – Consols – Tonsals regional area between 3,500 m to 7,500 m along strike from the main drill area (Figure 5). Results are expected to be soon in hand (and announced soon after).

Cumulatively, 159 drill holes for 37,551 m have been completed at Sunday Creek with SXG/Mawson having completed 95 holes for 31,953 m since late 2020.

About Sunday Creek

The Sunday Creek epizonal-style gold project is located 60 km north of Melbourne within 19,365 hectares of granted exploration tenements. SXG is also the freehold landholder of 133.29 hectares that form the key portion in and around the main drilled area at the Sunday Creek Project.

Geologically, the project is located within the Melbourne Structural Zone in the Lachlan Fold Belt. The regional host to the Sunday Creek mineralisation is an interbedded turbidite sequence of siltstones and minor sandstones metamorphosed to sub-greenschist facies and folded into a set of open north-west trending folds.

Further Information

Further discussion and analysis of the Sunday Creek project is available through the interactive Vriify 3D animations, presentations and videos all available on the SXG website. These data, along with an interview on these results with Managing Director Michael Hudson, with a 3D Leapfrog presentation, can be viewed at www.southerncrossgold.com.au

Figures 1, 3-5 show project location, plan, longitudinal and cross-sectional views of drill results reported at Sunday Creek. Figure 2 shows schematic plan and cross section of alteration, lithologies and mineralisation.

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 two 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 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.

Certain information in this announcement also relates to prior drill hole exploration results, are extracted from the following announcements, which are available to view on www.southerncrossgold.com.au:

- [30 May, 2022](#) SDDSC033
- [4 October, 2022](#) SDDSC046
- [20 October, 2022](#) SDDSC049
- [21 November, 2022](#) SDDSC050
- [14 December 2022](#) SDDSC050
- [30 March, 2023](#) SDDSC061
- [16 May, 2023](#) SDDSC064
- [1 June, 2023](#) SDDSC066
- [3 July, 2023](#) SDDSC067

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original document/announcement and the Company confirms that the form and context in which



the Competent Person's findings are presented have not materially modified from the original market announcement.

About Southern Cross Gold Ltd



The Southern Cross Gold corporate branding embodies important characteristics of the Company. 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:

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Figure 1: Location of the Sunday Creek project, along with SXG's other Victoria projects.

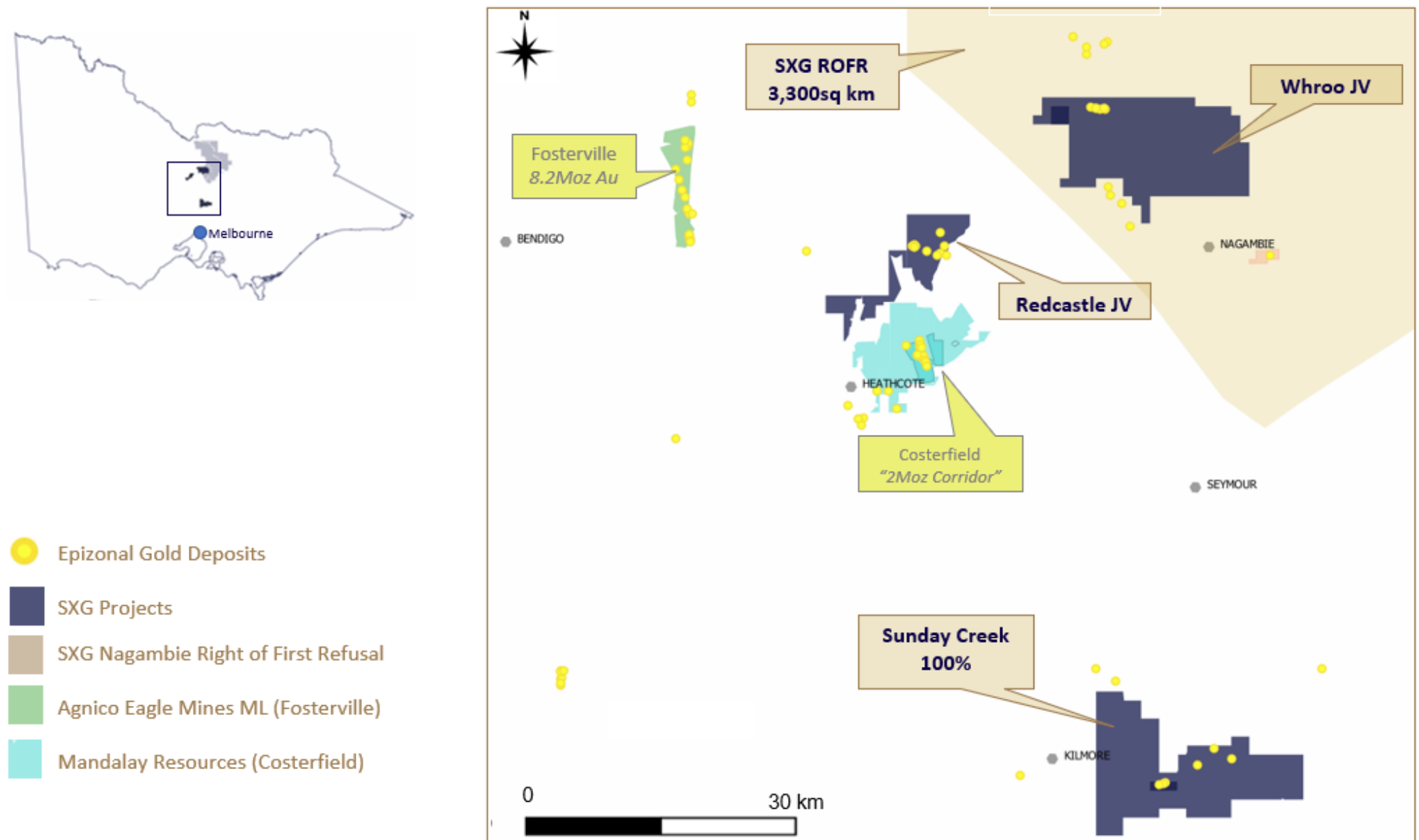


Figure 2: Sunday Creek schematic plan from Christina to Apollo showing wide alteration halo and mineralisation.

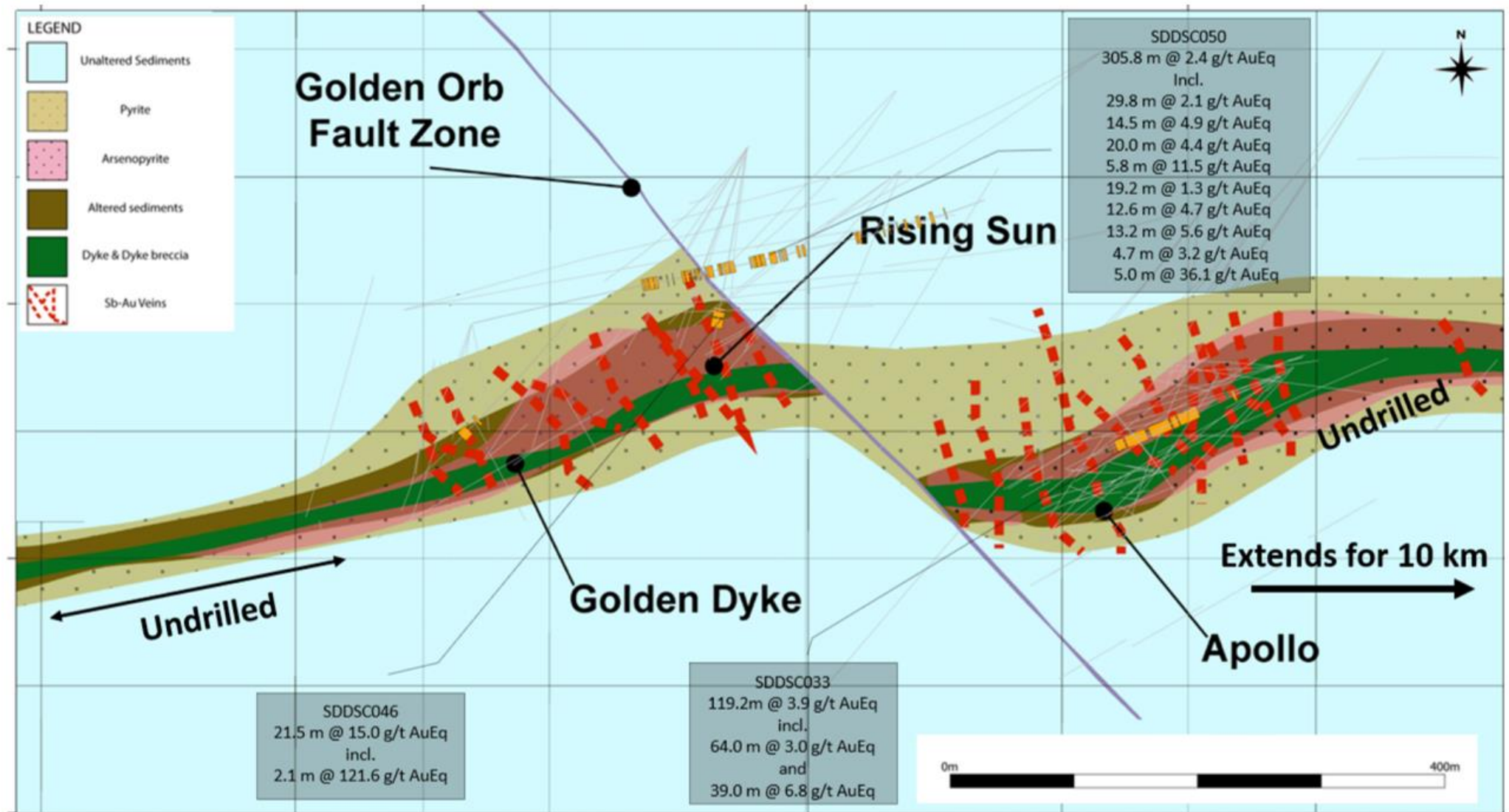


Figure 3: Sunday Creek factual plan view showing selected prior reported drill holes¹ and pending holes (blue trace).

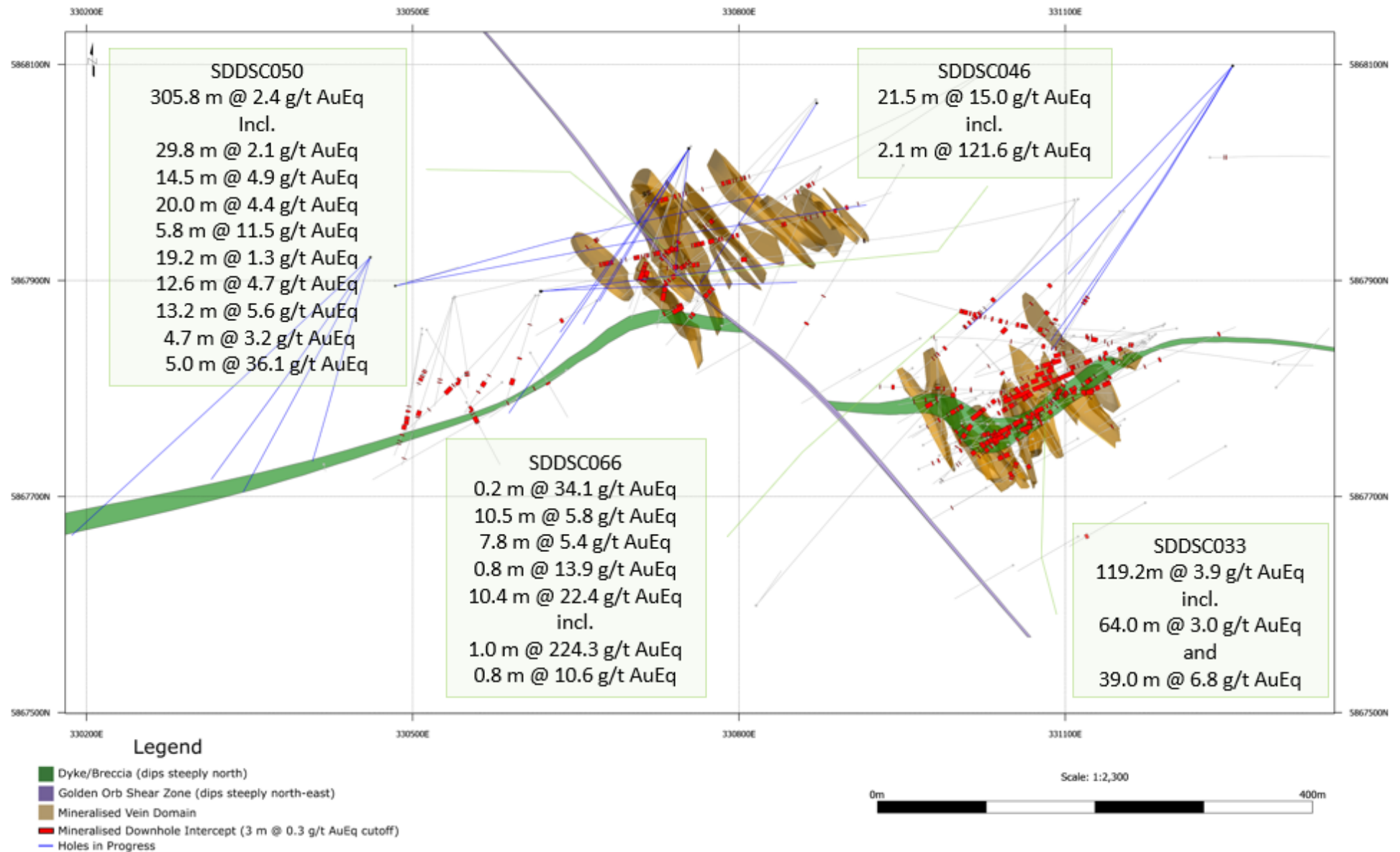


Figure 4: Sunday Creek longitudinal section across E-F the plane of the dyke breccia host looking towards the north showing mineralised veins sets. Showing selected prior reported drill holes¹ and pending holes (blue trace).

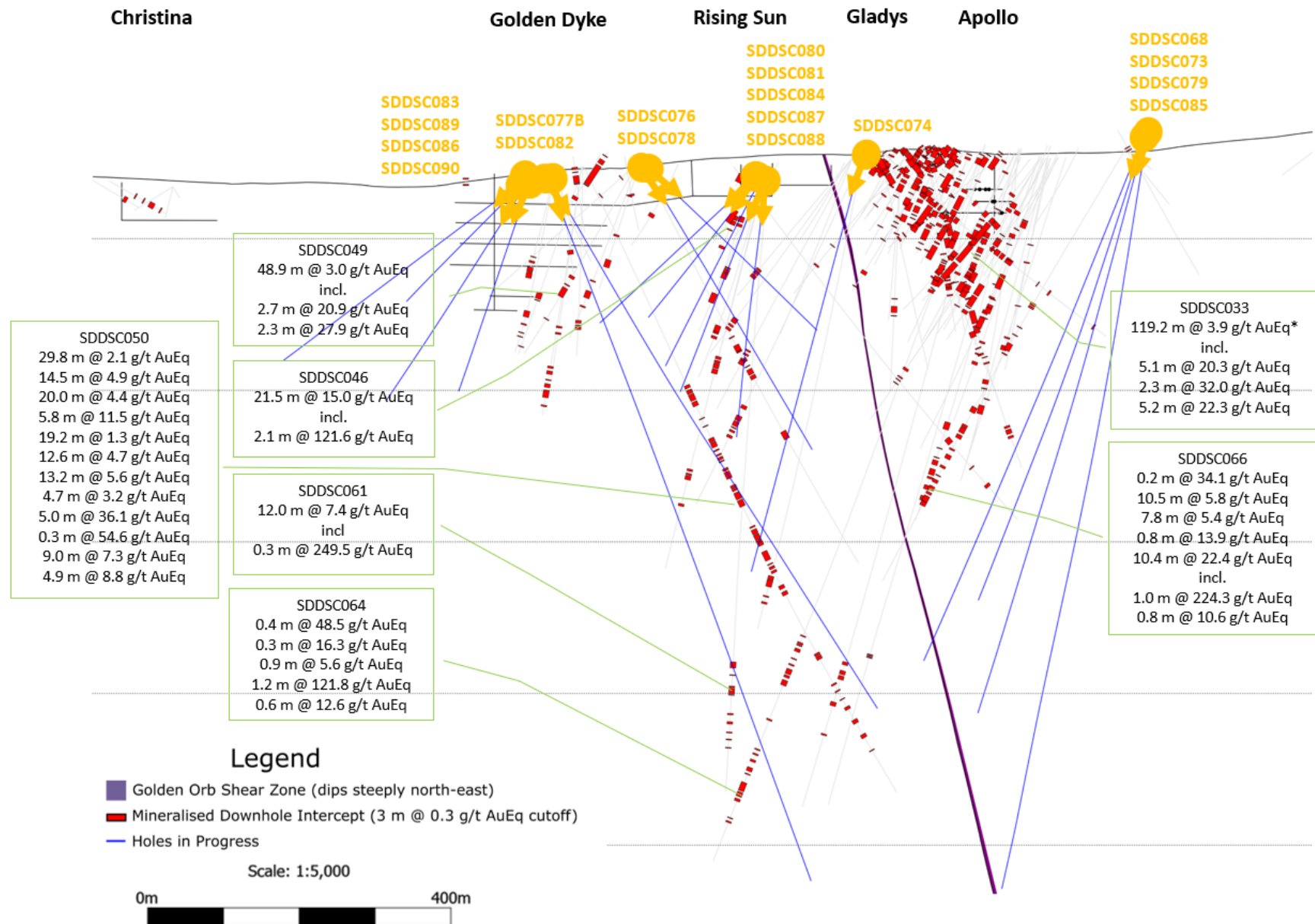


Figure 5: Sunday Creek regional plan view showing LiDAR, soil sampling, structural framework, regional historic epizonal gold mining areas and broad regional areas tested by 12 holes for 2,383 m drill program. The regional drill areas are at Tonstal, Consols and Leviathan located 4- 7.5 km along strike from the main drill area at Golden Dyke- Apollo.

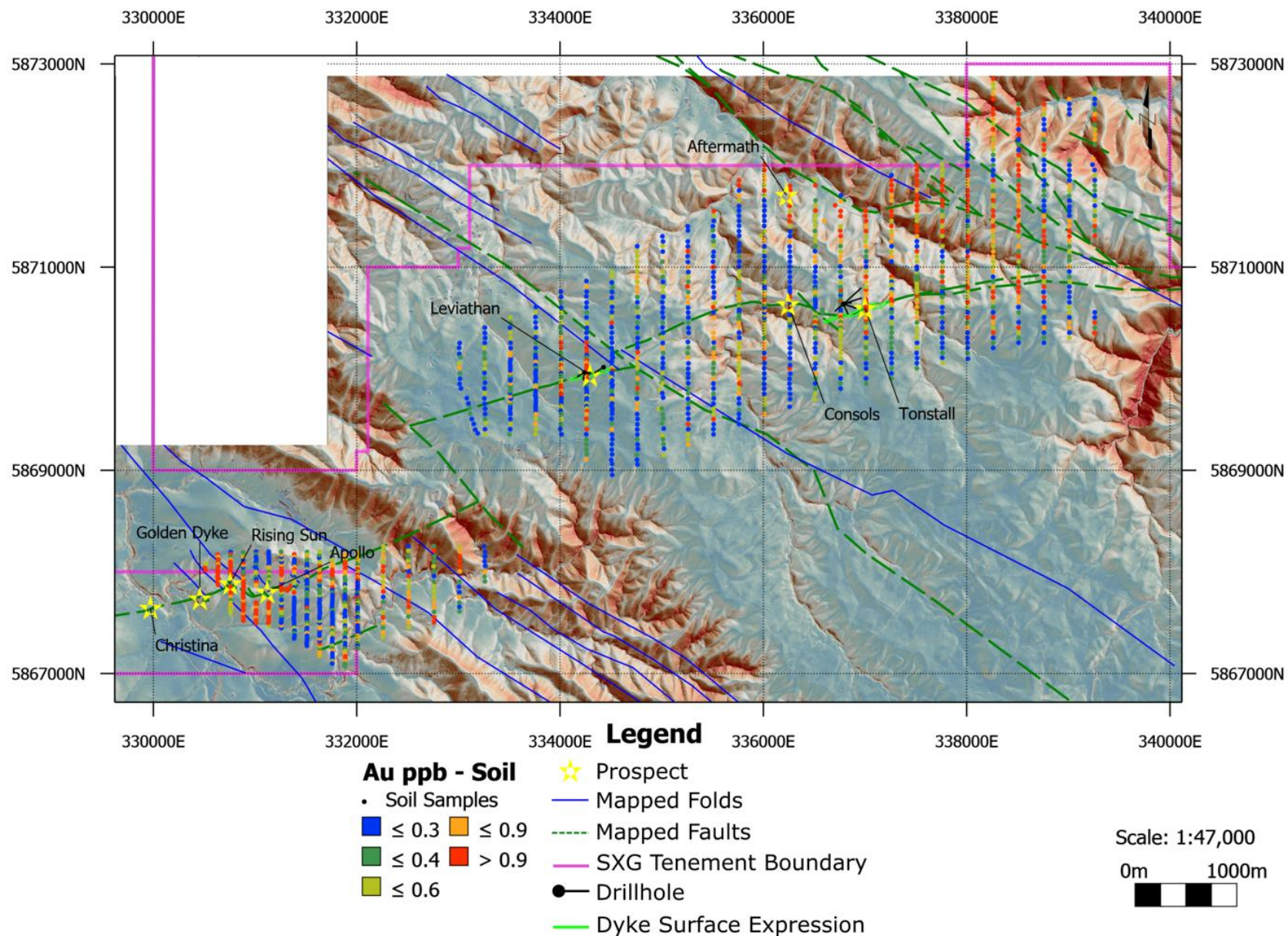


Table 1: Drill collar summary table for recent drill holes in progress.

Hole_ID	Depth (m)	Prospect	East GDA94_Z55	North GDA94_Z55	Elevation	Azimuth	Plunge
SDDSC068	1041.2	Apollo	331254	5868098.6	353.9	211.3	-77.7
SDDSC073	818.3	Apollo	331254	5868097	353.9	212.0	-69.0
SDDSC074	898.1	Root Hog	331108	5867975	319.4	255.0	-73.0
SDDSC076	322.5	Rising Sun	330617	5867890	300.0	85.0	-41.0
SDDSC077B	834.2	Rising Sun	330478	5867882	289.0	73.3	-62.2
SDDSC078	439.5	Rising Sun	330617	5867890	300	83.6	-58
SDDSC079	700.7	Rising Sun	331254	5868098	353.7	210	-65
SDDSC080	374.6	Rising Sun	330754	5868022	294.3	185	-71
SDDSC081	338.5	Rising Sun	330754	5868022	294.3	210	-60
SDDSC082	In progress plan 1000 m	Rising Sun	330484	5867895	289	74	-68
SDDSC083	347.5	Golden Dyke	330461.1	5867922	285.4	196	-54
SDDSC084	323.4	Rising Sun	330754	5868022	294.3	210	-53
SDDSC085	In progress plan 790 m	Apollo	331254	5868099	353.8	222	-64
SDDSC086	298.8	Golden Dyke	330461.1	5867922	285.4	208	-33
SDDSC087	286.7	Rising Sun	330754	5868022	294.3	214	-43
SDDSC088	360	Rising Sun	330754	5868022	294.3	214	-33
SDDSC089	390	Golden Dyke	330461.1	5867922	285.4	214	-48
SDDSC090	In progress plan 450 m	Christina	330461.1	5867922	285.4	226	-31
SDDSC091	In progress plan 580 m	Gentle Annie	330871.5	5868064	305.6	210	-69
SDDTS001	179.75	Tonstal	336788	5870637	525.0	156.0	-50.0
SDDTS002	182.6	Tonstal	336788	5870637	525.0	111.0	-42.0
SDDTS003	197.8	Tonstal	336788	5870637	525.0	111.0	-73.0
SDDTS004	62.6	Tonstal	336788	5870637	525.0	79.0	-60.0
SDDTS004A	170.6	Tonstal	336788	5870637	525.0	79.0	-60.0
SDDTS005A	257.05	Tonstal	336788	5870637	525.0	70.0	-42.0
SDDTS006	368.6	Tonstal	336788	5870637	525.0	48.0	-50.0
SDDTS007	179.6	Tonstal	336788	5870637	525.2	230.0	-50.0
SDDCN001	200.5	Consols	336270	5870700	507.0	220.0	-60.0
SDDL001	152.6	Leviathan	334240	5869962	552.2	190.0	-60.0
SDDL002	131.75	Leviathan	334240	5869962	552.2	240	-50
SDDL003	140	Leviathan	334240	5869962	552.2	90	-60
SDDL004	143.4	Leviathan	334428	5870014	553	242.5	-40