25 October 2024

SXG Acquires Remaining 30% of the Redcastle Gold-Antimony Joint Venture

Melbourne, Australia — Southern Cross Gold Ltd ("SXG" or the "Company") (ASX:SXG) is pleased to announce that it has entered into a Sale and Purchase Agreement with Nagambie Resources Limited (ASX:NAG) (**"NAG"**) for SXG to acquire the remaining 30% interest and royalty from NAG in the Redcastle gold-antimony Joint Venture ("JV") tenements (Figure 1).

HIGHLIGHTS

- SXG to acquire the remaining 30% interest in Redcastle gold-antimony JV for the purchase price of $250,000 (excluding GST) ("Acquisition").
- The Acquisition also eliminates any remaining obligations in respect of royalty payments and concludes the Joint Venture.
- The Redcastle gold-antimony project is located in the heart of Victoria's Goldfields, approximately 120 km north of Melbourne. Redcastle is an historically significant goldfield, with high-grade gold production dating back to the 1850s with 17 km of undrilled reef systems that remain to be explored to depth. SXG remains focussed on the 100% Sunday Creek project, while the transaction provides full ownership and control of the Redcastle project.

Southern Cross Gold's Managing Director, Michael Hudson, states, *"This acquisition consolidates the ground holding for SXG at Redcastle around high-grade drill results at SXG's 100% Laura prospect that demonstrated grades up to 704 g/t Au and 24.7% Sb, over thin and targetable structures within a core area where historic mines produced 20,583 oz at 254.6 g/t Au over 2 km strike length, down to a maximum depth of 125 m during 1859 to 1865.*

"Our strategic focus remains firmly down the road at the Sunday Creek gold-antimony project, where we have five drill rigs operating (going to six in late November). With consolidated ownership, the next steps at Redcastle are to repeat the Sunday Creek strategy to drill to depth beyond high-grade drill holes and old workings, into the 17 km of untested reef systems at Redcastle."

A summary of the material terms of the Acquisition is set out below in Annexure A.

- Ends -

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

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: 198.4M fully paid shares

Annexure A
Summary of material terms of the Acquisition

Currently SXG (via its wholly owned subsidiary SXG Victoria Pty Ltd) currently owns a 70% beneficial interest in the Redcastle project pursuant to an Option and Joint Venture Agreement with NAG for the Redcastle Joint Venture tenements. Following completion of the Acquisition, the Company will hold a 100% beneficial interest in the Redcastle Joint Venture tenements.

The Acquisition also eliminates any remaining obligations in respect of royalty payments and concludes the Joint Venture.

A summary of the material terms of the Acquisition is set out below. The Company will make further announcements as applicable, including regarding finalisation of the Acquisition along with technical summaries.

Tenements

The Redcastle Joint Venture tenements comprise Exploration Licence EL5546, Exploration Licence EL007498 and Exploration Licence EL007499. SXG (via SXG Victoria Pty Ltd) holds a 70% beneficial interest in the tenements and NAG holds a 30% beneficial interest in the tenements.

Purchase Price

The Purchase Price for the Acquisition is $250,000 (excluding GST).

Acquisition

At completion of the Acquisition:

(a) SXG will pay NAG the Purchase Price; and

(b) SXG will acquire the remaining 30% interest of NAG in the Redcastle Joint Venture tenements; and

(c) SXG will take control of all mining information in respect of the Tenements; and

(d) The conditional 1.5% net smelter royalty granted to NAG under the terms of the Redcastle Option and Joint Venture Agreement lapses and is of no further force and effect.

Conditions precedent

The Acquisition is subject to and conditional upon:

(a) The Tenements (including the NAG Interests, or part thereof) not being subject to any Encumbrance, or being withdrawn or revoked, at completion.

(b) The royalty and/or the mining information not being subject to any encumbrance at completion.

(c) There being no material adverse change or event prior to or at completion which adversely affects, or may adversely affect, the rights and interests proposed to be acquired by SXG (including via SXG Victoria Pty Ltd) pursuant to the Acquisition.

Other terms

(a) If SXG Victoria Pty Ltd is not registered as the holder of the NAG interests with the Department at completion, NAG shall hold the relevant NAG interests on trust for SXG Victoria Pty Ltd pending such registration and shall put SXG in effective control of the Tenements and facilitate SXG's plans on the Tenements.

(b) The agreement otherwise contains terms typical for arrangements of this kind, including warranties underpinned by relevant indemnities and requirements for the conduct of NAG pending completion.

Competent Person Statement

Information in this announcement that relates to exploration results contained in this report is based on information compiled by Mr Kenneth Bush and Mr Michael Hudson. Mr Bush is a Member of Australian Institute of Geoscientists and a Registered Professional Geologist in the field of Mining (#10315) and Mr Hudson is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Bush and Mr Hudson each have sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bush is Exploration Manager and Mr Hudson is Managing Director of Southern Cross Gold Limited and both consent to the inclusion in the report of the matters based on their 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.

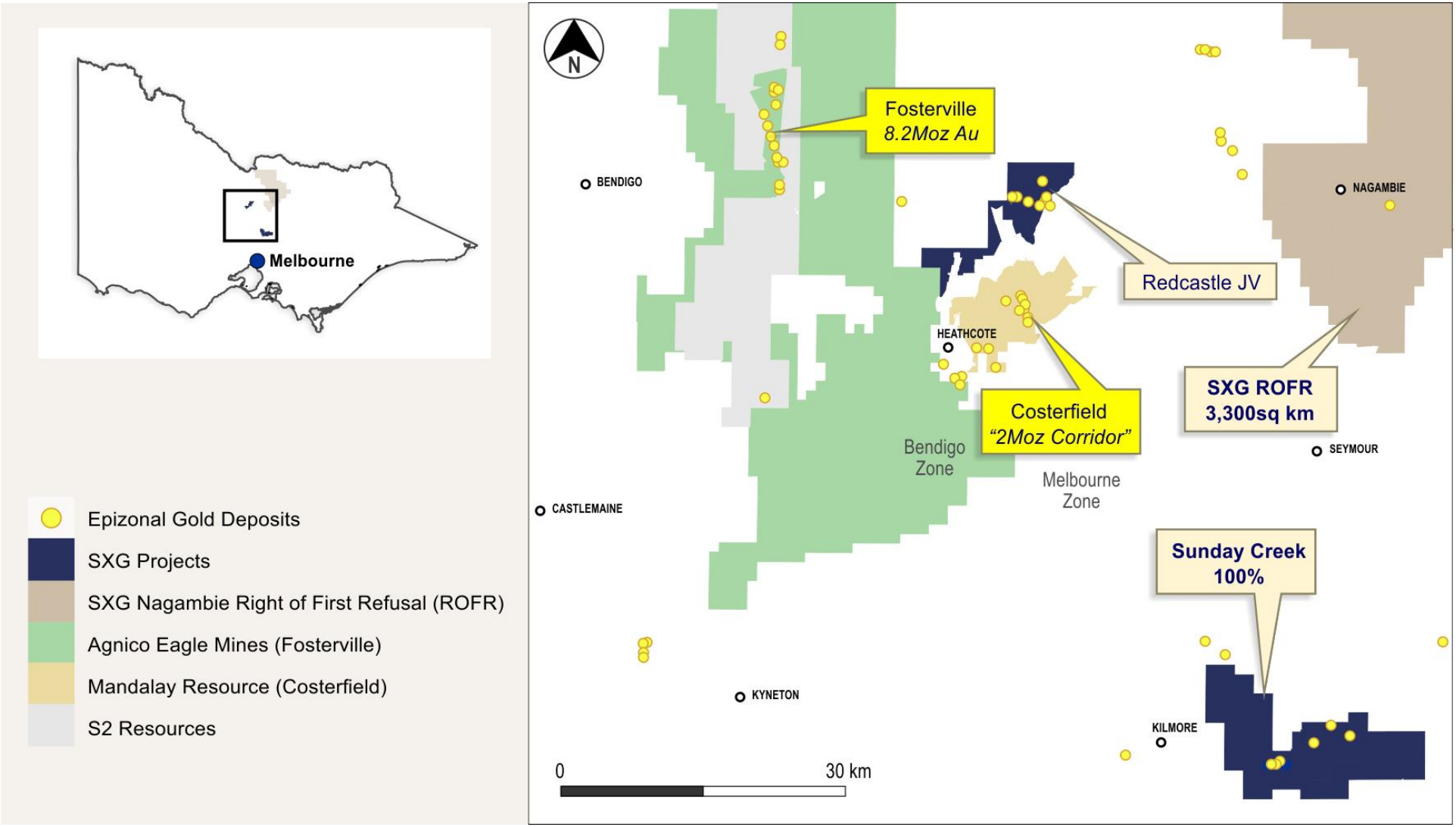
The Company confirms that it is not aware of any new information or data that materially affects the information included in the original document/announcement and the Company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcement.

For further information, please contact:

Justin Mouchacca, Company Secretary, jm@southerncrossgold.com.au, +61 3 8630 3321

Nicholas Mead, Corporate Development, nm@southerncrossgold.com.au, +61 415 153 122

Figure 1: Location of the Redcastle JV project that encompassed the Laura PL6415, along with SXG's other Victoria projects.



JORC Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
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.*	• Select Diamond core intervals were cut, and half-core sampled using a standard core-cutter. • Sample intervals were selected based upon the interpreted presence of mineralisation as determined from detailed geological core logging. • Certified reference material and sample duplicates were inserted at regular intervals with laboratory sample submissions.
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).*	• Diamond drilling commenced with HQ3 and NQ2 diameter coring configuration.
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.*	• Diamond drill core recovery is systematically recorded from the commencement of diamond coring to the end of the hole, by reconciling against the driller's depth blocks and the production plods with that obtained from the geological logging process. • Driller's depth blocks provided the depth interval of core drilled, and interval of core recovered • Any lost core is recorded in the production plods as wells as marked with a driller's depth block • Core recoveries were typically 100% with only isolated minor zones of

Criteria	JORC Code explanation	Commentary
		lower recovery.
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.*	• Geological logging recorded qualitative descriptions of lithology, alteration, mineralisation, veining and structure including orientation of key geological features for the entire hole length. • All drillcore was photographed prior to cutting/sampling of the core.
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 duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Diamond core was half-core cut and sampled at Starwest's Heathcote offices. • Sampling intervals for drill core used for resource estimation purposes are not shorter than 3 cm and not longer than 1 m. • Half core samples were place in labelled calico bags and grouped in poly-weave bags for dispatch to the laboratory. • Samples were directly delivered by Core Prospecting personnel. • Sample preparation was conducted at Onsite Laboratory services, Bendigo including sample sorting, drying, crushing and milling. • Sample Sorting: samples are weighed, and respective weights recorded. Any reconciliation (extra samples, insufficient sample, missing samples) is noted at this stage. • Sample Drying: Samples are dried in calico bags in ovens at 80 deg C overnight • The entire sample (up to 3 kg) is jaw-crushed to approximately 2 mm; if the sample weight is more than 3 kg, the sample is split and 50% of the sample is used • The entire sample is then milled and pulverized samples are then split, with 200 g for analysis and the remaining sample returned to its sample bag for storage and eventual return to Core Prospecting.
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.*	Gold grades are determined by fire assay/AAS. The following procedure is undertaken by Onsite for gold and antimony: ○ 50 g of pulp is fused with 180 g of flux (silver). ○ Slag is removed from the lead button and cupellation is used to produce a gold/ silver prill.

Criteria	JORC Code explanation	Commentary
	• *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.*	○ 0.6 mL of 50% nitric acid is added to a test tube containing prill, and the test tube is placed in a boiling water bath (100°C) until fumes cease and silver appears to be completely dissolved. ○ 1.4 mL of hydrochloric acid (HCl) is added. ○ On complete dissolution of gold, 8 mL of water is added once the solution is cooled. ○ Once the solids have settled, the gold content is determined by flame AAS. Antimony grades are determined using acid digest/ AAS. Where the sample contains antimony in excess of 0.6% concentration, the following procedure is undertaken: ○ 0.2 g of sample is added to a flask of distilled water (20 mL). ○ 30 mL of 50% nitric acid is added. ○ 20 mL of tartaric acid is added. ○ 80 mL of 50% HCl acid is added and allowed to stand for 40 minutes. ○ 5 mL of hydrobromic acid (HBr) is added. ○ The solution is mixed for 1 hour and left to stand overnight until fuming ceases. ○ Sample is heated until colour changes to light yellow and white precipitate dissolves. ○ When cool, the sample is diluted to 200 mL with distilled water. Antimony content is determined by AAS.
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.*	• Data management is done in-house and has been performed by an experienced individual and not by several individuals. • There has been no verification of significant intersections by independent or alternative company personnel. • There has been no drill hole twinning to verify results. • Drill hole sampling and geological data are logged onto paper in preparation for database data entry. • There have been no adjustments to data as provided by the commercial assay laboratory.
Location of	• *Accuracy and quality of surveys used to locate drill holes (collar and*	• Drill hole collars are surveyed by 12-channel GPS to MGA94 Zone 55

Criteria	JORC Code explanation	Commentary
data points	*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.*	and AHD estimated from terrain model created from publicly available land survey data • Collar locations to within an estimated precision of 3m at worst. • Downhole surveys using an electronic, single-shot survey tool
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.*	• The distance between drillhole intercepts is approximately 50m × 50m. This is reduced to 20m × 20m in areas of structural complexity. • No sample compositing has occurred.
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.*	• Nominal drilling azimuth directions are approximately E-W as the strike of the Geology is approximately north-south (Range 330°-030°) dependent upon the location within the Prospecting Licence. There fore the drillhole azimuth directions are approximately perpendicular to the prevailing strike of the local geology.
Sample security	• *The measures taken to ensure sample security.*	• Drill core was delivered from the drill rig to the Company core yard every shift. • On completion of geological logging, core is stored on site at the Company core yard. • All samples are controlled by the responsible geologist and stored in a secured facility prior to despatch to laboratory. • Samples are transported directly to laboratory with chain of-custody protocols in place. • Sample number receipt information from laboratory is cross-referenced and rationalised against sample number dispatch information.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Due to the limited duration of the program, no external audits or reviews have been undertaken.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Redcastle Goldfield, containing the Redcastle Project, is covered by exploration Licence EL5546 which was held 70% held by SXG Victoria Pty Ltd, a wholly owned subsidiary company of Southern Cross Gold Ltd and 30% by Nagambie Resources before this acquisition. Exploration licences EL7498 and EL7499 were held 100% before this acquisition by Nagambie Resources. • All licences are in good standing with no known impediments. • Previous drilling has taken place wholly on Crown land.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• During 2020 and 2021 SXG Victoria drilled 16 drillholes for 2,786.9 m across total of eight prospects at Redcastle (for an average hole depth of 174.2 m). • Core Prospecting completed 16 diamond holes for 1,923.2 m during 2019-2020.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The targets are hosted by NNW-striking Silurian-Devonian sediments considered to be northern extensions of the Costerfield goldfield. • The gold mineralisation discovered at the Redcastle Project, occur on the western limb of an anticline. The features tested are extensions of known Au-Sb mineralised trends defined by historic workings.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in m) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Refer to:
		  • https://mawsongold.com/news-releases/mawson-update-on-the-redcastle-epizonal-gold-project-victoria-australia/
		  • https://wcsecure.weblink.com.au/clients/southerncrossgold/headline.aspx?headlineid=3621808

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade*	• No top-cutting applied to assay data • Significant assay intercepts are reported with the use of length-weighted averages plus the inclusion of individual sample results that comprise the length-weighted averages where applicable.

Criteria	JORC Code explanation	Commentary
	results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	

Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.*
	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*
	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*
		• Refer to:
		  • https://mawsongold.com/news-releases/mawson-update-on-the-redcastle-epizonal-gold-project-victoria-australia/
		  • https://wcsecure.weblink.com.au/clients/southerncrossgold/headline.aspx?headlineid=3621808

Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to:
		  • https://mawsongold.com/news-releases/mawson-update-on-the-redcastle-epizonal-gold-project-victoria-australia/
		  • https://wcsecure.weblink.com.au/clients/southerncrossgold/headline.aspx?headlineid=3621808

Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Refer to:
		  • https://mawsongold.com/news-releases/mawson-update-on-the-redcastle-epizonal-gold-project-victoria-australia/
		  • https://wcsecure.weblink.com.au/clients/southerncrossgold/headline.aspx?headlineid=3621808

Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other exploration results that have not previously been reported, are material to this report.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• See reporting of next steps in the body of the press release