



12 May 2022

Pre-Quotation Disclosure Announcement

Southern Cross Gold Ltd (ACN 652 166 795) [ASX:SXG] (**Company**) is pleased to announce that it has raised \$9,093,300 through the issue of 45,466,500 fully paid ordinary shares (**Shares**) under the Equity Offer made in its prospectus dated 17 March 2022 and lodged with ASIC on the same date (**Prospectus**). The following information is given for release to the market in connection with the reinstatement to quotation of the Company's shares on the Australian Securities Exchange (**ASX**).

Unless defined in this announcement, capitalised terms have the meanings as defined in the Prospectus.

Close of the Offers and issue of securities

The Company confirms all Offers made under the Prospectus have closed and that the Company has issued 45,466,500 Shares at \$0.20 (20 cents) per Share under the Equity Offer.

The Company has also issued the following securities under the other Offers:

- 6,500,000 Joint Lead Manager Options under the Joint Lead Manager Offer; and
- 8,970,000 ESOP Options under the ESOP Option Offer.

Capital Structure

The capital structure of the Company following completion of the Offers is set out below:

| Securities | Number |
|---|-------------------|
| Ordinary Shares | 156,247,750 |
| OPTIONS | |
| Class A ESOP Options (\$0.30 exercise price, expire 5 May 2025) | 2,990,000 |
| Class B ESOP Options (\$0.30 exercise price, vesting 1 year from listing, expire 5 May 2026) | 2,990,000 |
| Class C ESOP Options (\$0.30 exercise price, vesting 2 years from listing, expire 5 May 2027) | 2,990,000 |
| Joint Lead Manager Options (\$0.30 exercise price, expire 3 years from listing) | 6,500,000 |
| Total Options | 15,470,000 |

The terms of the securities in the table above are set out in the Prospectus.

Restricted Securities

The Company advises that the following securities are classified as restricted securities on the basis of mandatory disposal restrictions (escrow) imposed by ASX:

| Securities | Number | Restriction Period |
|----------------------------|------------|------------------------|
| Ordinary Shares | 93,985,000 | 24 months from listing |
| ESOP Options | 6,600,000 | 24 months from listing |
| Joint Lead Manager Options | 6,500,000 | 24 months from listing |

Statement of commitments

Below is an updated statement of commitments reflecting the anticipated use of funds following completion of the \$9,093,300 raising under the Equity Offer:

| Use of funds | |
|--|----------------------------|
| Cash at bank | \$2,200,000 |
| <u>Equity Offer funds</u> | <u>\$9,093,300</u> |
| <u>Aggregate cash post Equity Offer</u> | <u>\$11,293,300</u> |
| Sunday Creek exploration | \$3,910,200 |
| Whroo exploration | \$550,250 |
| Redcastle exploration | \$1,204,950 |
| <u>Mt Isa exploration</u> | <u>\$500,000</u> |
| Total Exploration Expenditure | \$6,165,400 |
| Freehold land purchase and capital items | \$2,000,000 |
| Admin and corporate | \$1,925,000 |
| Costs of the Offers | \$889,600 |
| Remaining working capital | \$313,300 |
| <u>Total</u> | <u>\$11,293,000</u> |

1. *The exploration and drilling program expenditure is in respect of areas which are the subject of granted tenements and includes rental payments. It is the Company's intention to undertake exploration and drilling programs to achieve results as soon as practicable and, subject to encouraging results being obtained, to delineate JORC Code compliant mineral resource estimates. The Company may seek to raise additional funds within 2 years after listing on the ASX to the extent required to increase and accelerate exploration and drilling programs.*
2. *Working capital expenditure is to be applied towards administration costs associated with the Company. These costs include wages and salaries, occupancy costs, professional consultant's fees, compliance and reporting costs associated with running an ASX listed company, as well as other typical administration costs. It is anticipated that funds available as unallocated working capital may be applied to any contingency resulting in the unforeseen expenses associated with the Company's existing projects and also towards expenses incurred in identifying and generating new mineral exploration projects or assets.*

The pro-forma statement of financial position based on the \$9,093,300 raising under the Equity Offer is set out in Annexure A to this announcement.

Access confirmation

The Company confirms there are no legal, regulatory, statutory or contractual impediments to the Company entering the following tenements: EL 6163, EL 7232, RL 6040, EL 5546, EL 7498, EL 7499, EL 7205, EL 7209, EL 6158, EL 7237, EL 7238, and carrying out exploration activities such that SXG will be able to spend its cash in accordance with its commitments for the purposes of Listing Rule 1.3.2(b).

This announcement has been approved by the Board of Southern Cross Gold Limited.

For further information, please contact:

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ANNEXURE A
PRO-FORMA STATEMENT OF FINANCIAL POSITION

| As at | Southern Cross Gold Ltd Audited \$ | Final Indicative Pro forma \$ |
|--|--|-------------------------------------|
| Current assets | | |
| Cash and cash equivalents | 1,388,662 | 10,787,560 |
| Goods and services tax receivable | 62,852 | 62,852 |
| Other assets and prepaid expenses | 3,126 | 3,126 |
| Total current assets | 1,454,640 | 10,853,538 |
| Non-current assets | | |
| Property, plant and equipment | 92,695 | 92,695 |
| Exploration and evaluation assets | 6,388,435 | 6,388,435 |
| Investment in Nagambie Resources Limited | 2,950,000 | 2,600,000 |
| Bonds and security deposits | 55,006 | 240,006 |
| Option to acquire land | 50,000 | - |
| Total non-current assets | 9,536,136 | 9,321,136 |
| Total assets | 10,990,776 | 20,174,674 |
| Current liabilities | | |
| Trade and other payables | 35,099 | 35,099 |
| Borrowings | 164,830 | - |
| Unissued share capital | 1,149,972 | - |
| Total current liabilities | 1,349,901 | 35,099 |
| Total liabilities | 1,349,901 | 35,099 |
| Net assets | 9,640,875 | 20,139,575 |
| Equity | | |
| Issued capital | 10,106,076 | 21,924,376 |
| Costs of equity | (15,761) | (1,226,744) |
| Share-based payments reserve | - | 759,200 |
| Accumulated losses | (449,440) | (1,317,257) |
| Total equity | 9,640,875 | 20,139,575 |

The above has been prepared on the same basis as the pro forma in Section 8.6 of the Prospectus, but for the amount raised being \$9,093,300 and consequential adjustments to the costs of the Offers.