

## PURCHASE OF FREEHOLD LAND AT SUNDAY CREEK GOLD-ANTIMONY PROJECT

26 May 2022

**Melbourne, Australia — Southern Cross Gold Ltd (“SXG” or the “Company”) (ASX:SXG)** is pleased to announce it has finalised the purchase of a 132.64 hectare block of freehold property that covers both the Sunday Creek project drill area and areas for potential extension of the zone to the east. The 100%-owned Sunday Creek epizonal-style gold project is located 60 km north of Melbourne within 19,365 hectares of granted exploration tenements.

### HIGHLIGHTS

- Southern Cross Gold finalises purchase of 132.64 hectares of freehold land that forms the key portion in and around the drilled area at the Sunday Creek Project.
- Freehold ownership secures surface access and provides sufficient area for any potential future gold operation.
- Diamond drilling continues at Sunday Creek to test gold structures down to 400 m depth and 1 km along strike
  - First drill results since IPO released earlier this week included 17.3m @ 3.9 g/t Au and 0.6% Sb (4.9 g/t AuEq) from 214.4m in hole SDDSC031 (0.3 g/t AuEq over 2m lower cut).

Diamond drilling at Sunday Creek is continuing with the objective of defining gold mineralisation down to a depth of 400 m over an initial 1 km trend. The Company considers Sunday Creek to be one of the better new exploration discoveries to come out of Victoria in recent times with twelve (12) >100 AuEq g/t x m holes now intersected. Mineralisation remains open at depth and along strike. A 10 km mineralised trend at Sunday Creek that extends beyond the drill area is defined by historic workings and soil sampling that has yet to receive any exploration drilling and offers potential future upside.

The purchase of freehold land was included as part of the Company's use of funds in its IPO Prospectus dated 17 March 2022.

**Southern Cross Gold Managing Director, Michael Hudson says,** “After a strong start to drilling announced earlier this week, the purchase of the freehold land overlying the Sunday Creek gold-antimony project locks in land access and helps secure future success of the project. We look forward to continuing to work closely with all our neighbours and stakeholders, including the Taungurung Land and Waters Council as the project continues to develop positively.”

The Company may also consider other uses for the freehold land in the future, such as renewable energy options, livestock grazing or agistment to help maintain the property (although there are no current plans for such additional uses). As the contract was conditional upon satisfying the requirements of the Foreign Acquisitions and Takeovers Act 1975 (Cth), a no objection notification for the freehold acquisition without conditions from the Foreign Investment Review Board (“FIRB”) was received before settlement.

### Critical Metal Epizonal Gold-Antimony Deposits

Sunday Creek is an epizonal gold-antimony deposit formed in the late Devonian period (similar to Fosterville, Costerfield, Redcastle and Whroo), 60 million years later than mesozonal gold systems formed in Victoria (ie Ballarat and Bendigo). Epizonal deposits are a form of orogenic gold deposit classified according to their depth of formation: epizonal (<6 km), mesozonal (6-12 km) and hypozonal (>12 km).

Epizonal deposits in Victoria often have associated high levels of the metal, antimony, and Sunday Creek is no exception. Geoscience Australia reported that as at 2019, antimony is a critical metal where China and Russia combined produce approximately 82% of the antimony raw material supply. Antimony features highly on the critical minerals lists of many countries including Australia, the United States of America, Canada, Japan and the European Union. Australia ranks seventh for antimony production despite all production coming from a single mine at Costerfield in Victoria, located nearby to all Southern Cross Gold projects. Antimony alloys with lead and tin which results in improved properties for solders, bullets, bearings and batteries. Antimony is a prominent additive for halogen-containing flame retardants. Adequate supplies of antimony are critical to the world's energy transition, and to the high-tech industry, especially the semiconductor and defence sectors. For example, antimony is a critical element in the manufacture of lithium-ion batteries and to the next generation of liquid metal batteries that lead to scalable energy storage for wind and solar power.

### Gold Equivalent Calculation

Southern Cross Gold 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.

Southern Cross Gold considers that it is appropriate to adopt the same gold equivalent variables as Mandalay Resources Corporation 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:  **$AuEq = Au (g/t) + 1.58 \times Sb (\%)$** .

Given the similar geological styles and historic toll treatment of Sunday Creek mineralisation at Costerfield, Southern Cross Gold 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 report that relates to new exploration results contained in this report is based on information compiled by 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.



### About Southern Cross Gold Ltd



The Southern Cross corporate branding embodies important characteristics of the new entity. The blue lettering acknowledges the state colour of Victoria, and the gold colour 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

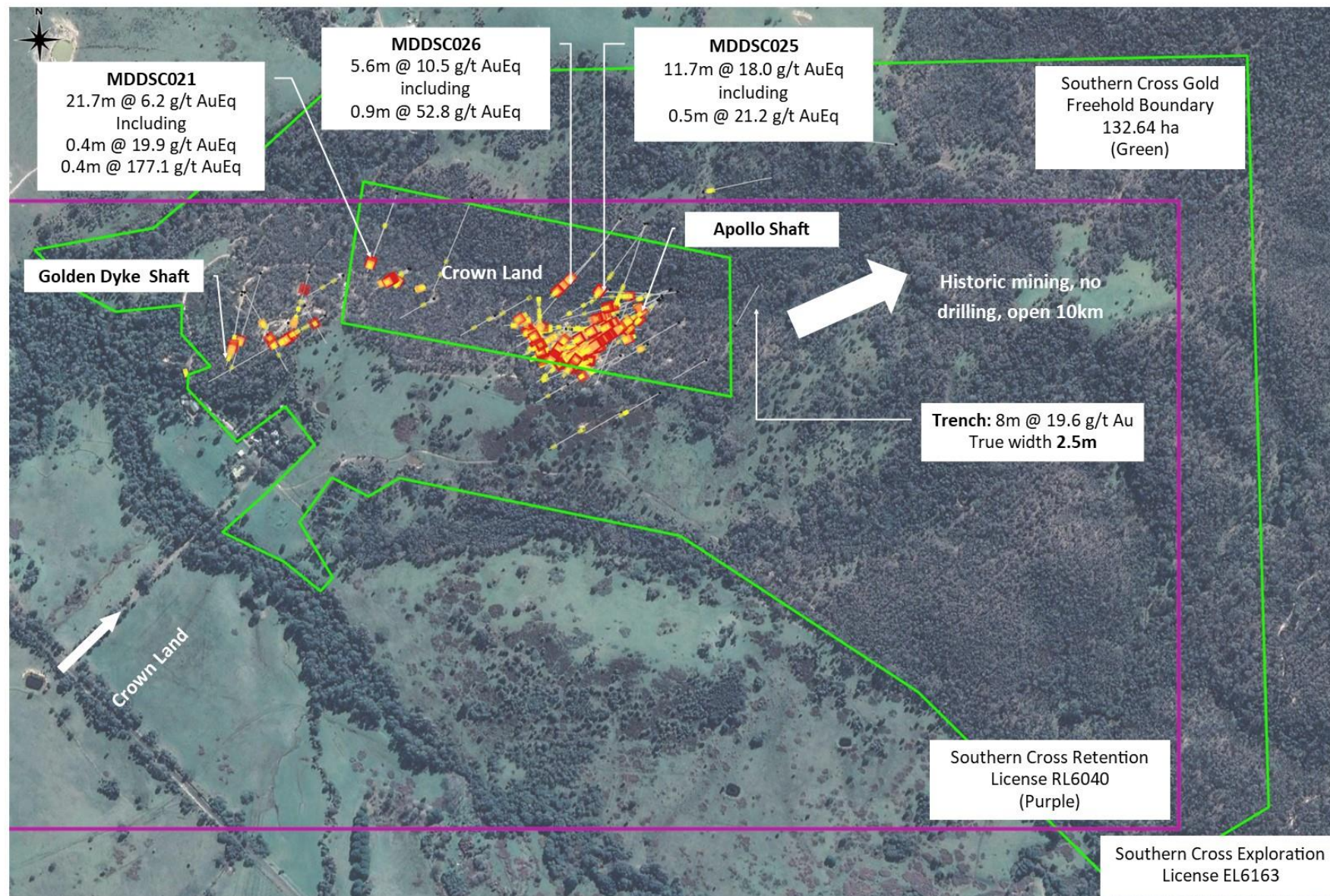
addition of a miner's pickaxe within the body of the star reflects the central place that mineral exploration has in Australia and, of course, to Southern Cross Gold.

**For further information, please contact:**

**Justin Mouchacca, Corporate 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**





Gold in Drill Holes

3.0 - 100 g/t Au

1.0 - 3.0 g/t Au

0.1 - 1.0 g/t Au

600 metres

