



26 October 2022

Sierra Nevada Gold September 2022 Quarterly Report

Highlights

- SNX commenced diamond core drilling at Blackhawk Porphyry Project, Nevada, USA to test for copper-gold in several key positions of the highly prospective porphyry system.
 - o Drilling is continuing on the first core hole at the Blackhawk Porphyry project, testing the Badger target
 - o A 300m RC pre-collar is planned for the second core hole at the Blackhawk Project.
- SNX commenced 5,000m of RC drilling to test initial targets across three of its Nevada projects in its phase 1 RC program.
 - o Drilling commenced at the Colorback Project (Carlin type) to test shallow oxide gold targets, with 378m completed.
 - o Rig will then move to high-grade gold New Pass Project (Epithermal type) with 3,500m drilling to test vein positions down dip and along strike of historically mined veins.
 - o Final stage of drilling at high grade gold Warrior Project (Epithermal type) in the Walker Lane Trend to test the historic Gold Coin and Discovery Shaft areas, with 1,500m planned.
 - o SNX expects the phase 1 RC drilling program to be completed in Q4 2022, with first assay results to be received December 2022.
- With the combined progress at the Blackhawk and epithermal gold projects, SNX plans to complete initial drill testing of its entire portfolio within six months of listing on the ASX.

Sierra Nevada Gold (ASX: SNX) is pleased to provide a report on its activities for the quarter ending 30 September 2022.

Executive Chairman Peter Moore said: *"In our first full quarter listed on the ASX, we are beginning to see real progress in our exploration plans, with both diamond and RC drilling underway during the quarter and the completion of our first drill program at the Colorback project. With the diamond drilling at the Blackhawk porphyry and the deployment of the RC rig at the epithermal gold targets, the company is on track to complete an initial drill test of our entire portfolio within six months of listing."*



“With Colorback drilling complete, the RC rig will move onto drill the New Pass and Warrior targets with the first drill testing of the exciting high-grade gold system at New Pass in more than 40 years and the first ever drill testing of the Gold Coin and Discovery Shaft mine areas at Warrior.”

Drilling at Blackhawk Porphyry Project

SNX's Blackhawk Project occurs within the Walker Lane Trend, a tier-one mineral province that hosts deposits including Round Mountain (20Moz gold), Comstock Lode (8.5Moz gold and 200Moz silver), the Yerington Porphyry deposits (more than 4Mt copper in production and Reserves) and the Candelaria deposit (230Moz silver of previous production and current Reserves).

SNX commenced drilling at its highly prospective Blackhawk Porphyry Copper-Gold Project located in western Nevada, USA, following the arrival of a core rig on site. SNX plans to test several key targets within the Blackhawk porphyry system, which have undergone progressive modelling using a wide range of geological, geochemical and geophysical exploratory techniques.

Previous exploration at Blackhawk has identified high impact targets ready to drill, following its footprint expansion in Q2 CY22.

Drill hole SNX001D is expected to test depth extensions of previously mined high-grade precious and base metal and porphyry “D” type veins, together with the northern limits of a large and vertically attenuated high chargeability anomaly. At depth, it will also test a well-defined zone of high resistivity interpreted as a potential zone of silicification or intrusion.

Next Steps

Geological mapping and geochemical sampling will continue across the large porphyry target area, and assay results will be released as they become available.

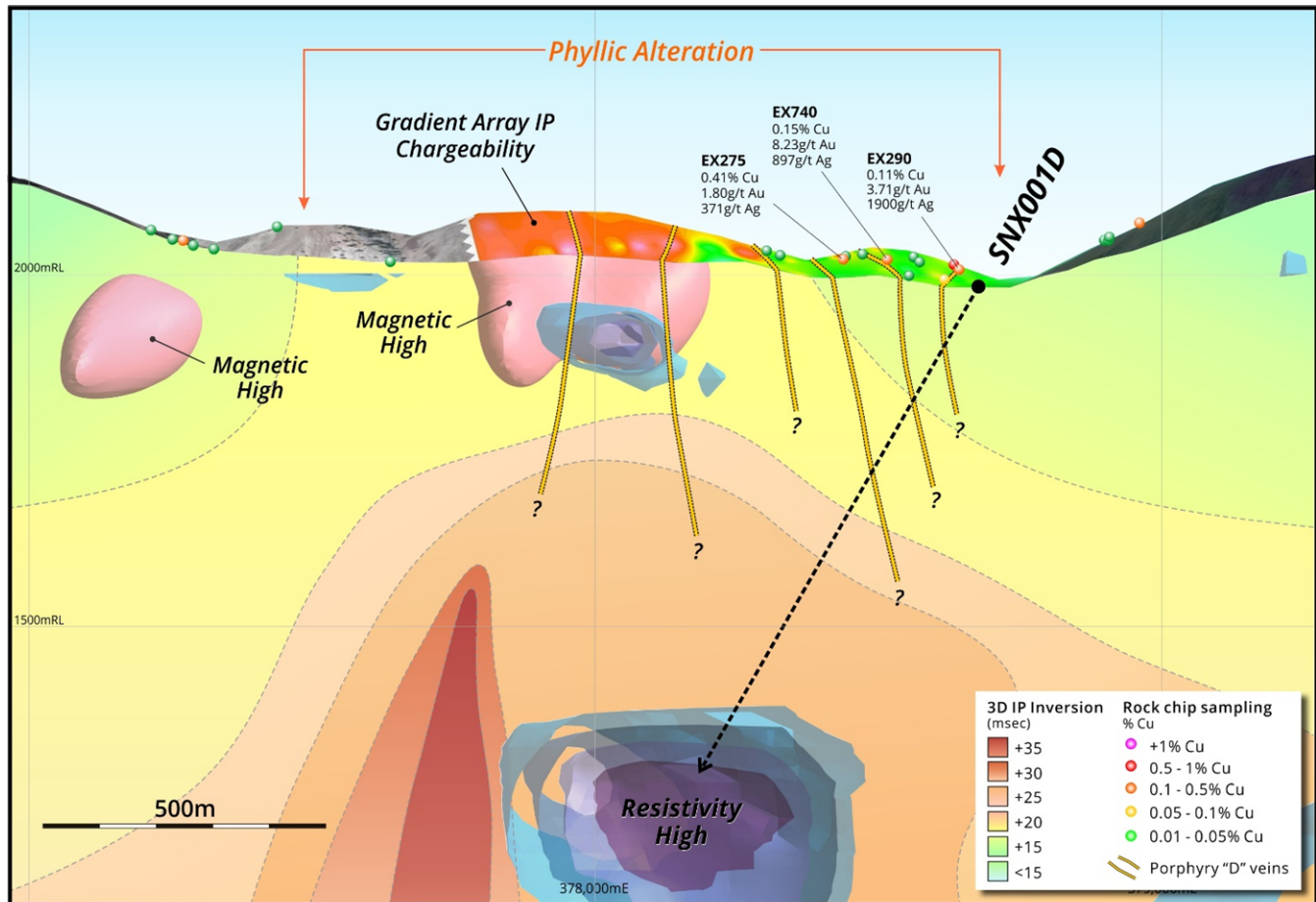


Figure 1: Schematic geological cross section looking westwards of SNX001D showing planned drill hole trace, 3D inverted IP chargeability, magnetic 3D inversions (pink), resistivity highs 3D inversions (blue), rock chip geochemistry, gradient array IP chargeability draped on surface and the mapped porphyry style "D" and base metal type veins.

SNX commences 5000m RC drill program at Colorback, New Pass and Warrior

SNX commenced a 5000m RC drill program designed to test highly prospective targets across its Colorback, New Pass and Warrior gold projects in southern Nevada, USA.

The drilling program commenced at Colorback and, combined with the core rig currently drilling at SNX's Blackhawk Project, the addition of the RC rig is planned to enable SNX to complete its initial drill test of its entire portfolio within six months of listing on the ASX.

Exploration activities for the quarter

During the quarter, SNX undertook the exploration activities outlined above. During the quarter ended 30 September 2022 SNX incurred approximately US\$1.16m on these activities.

About the Colorback, New Pass and Warrior Projects

Colorback

The Colorback project is situated within the heart of the Battle Mountain Trend (BMT), which hosts the giant Pipeline deposit (20Moz gold), the Cortez Complex (15Moz gold) and Barrick's Goldrush and Fourmile discoveries (+15Moz gold and growing). The BMT is a remarkable gold province that hosts several world-class gold deposits with total production and reserves of more than 100Moz Au.

Through its data acquisition and exploration program, SNX identified large-scale fertile structures with the potential to host a significant Carlin-style mineral system within the Colorback project.



Figure 2: Oblique view of the Colorback project (light blue) looking NNW showing the mineralised footprints and structural trends of the nearby giant Carlin style deposits. Note the historic oxide resources sit at the juncture of major NW and NNE structures.

New Pass

The New Pass mineral system displays all the characteristics of a large-scale epithermal system.

With targeted drilling both down dip and along strike of already defined veins, SNX believes that a pathway to a high-grade gold resource can be mapped within 18 months. Considerable potential exists north of the mine area within the “Saddle Target”, an area of extensive argillic and pyrite alteration displaying highly enriched zinc anomalism.

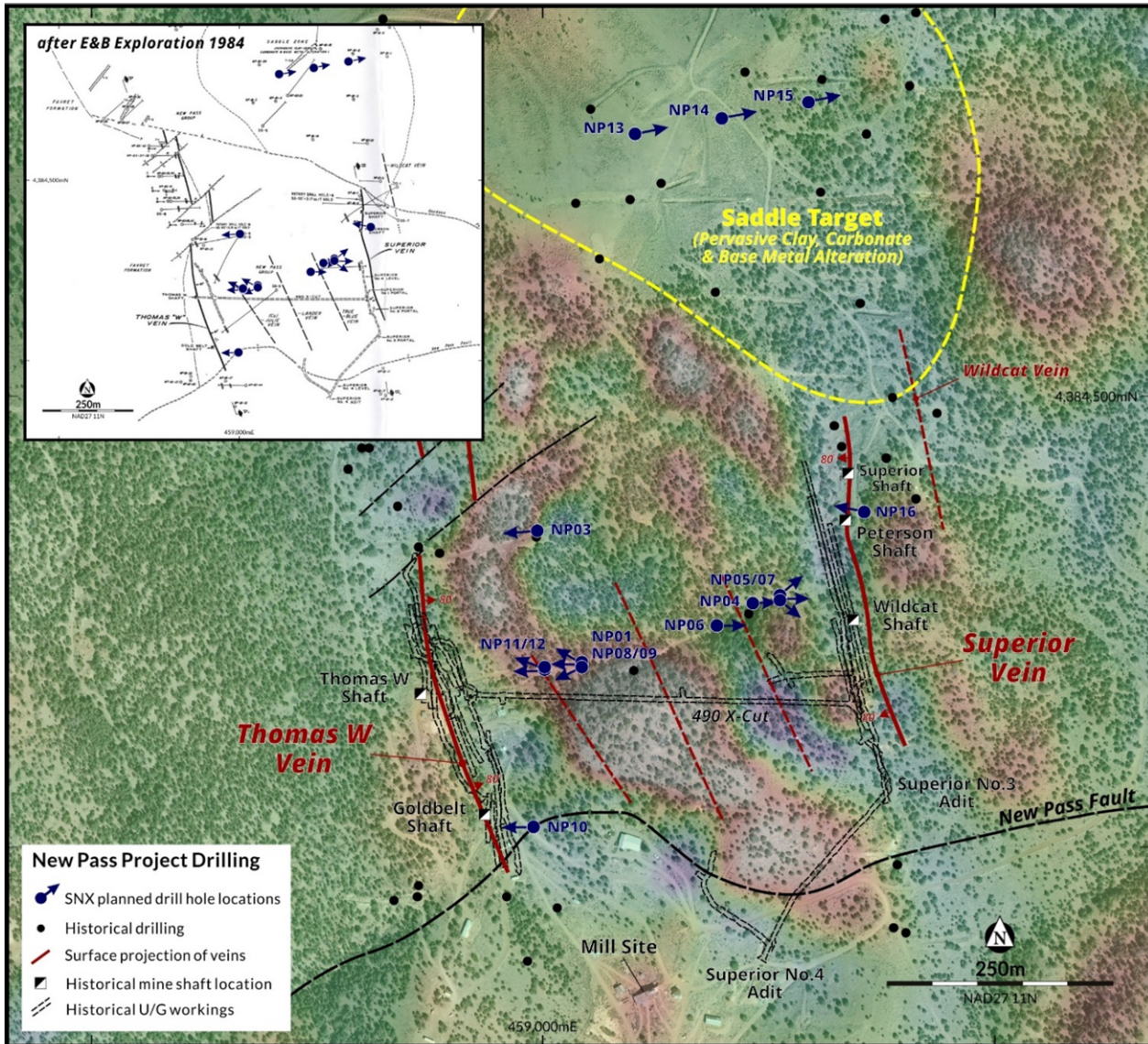


Figure 3: Plan view of the New Pass project showing proposed drilling in relation to historic drilling and mine infrastructure. Image shows orthophoto draped over 1VD magnetic data.

Warrior

The Warrior Project centred on a large historic mining centre hosted within a substantial alteration system that is prospective for high-grade vein and disseminated Au-Ag epithermal, skarn breccia and Carlin style deposits. The Warrior Mineral system is analogous to the 20Moz Round Mountain deposit in the trend, and is well located 15km along strike from the high-grade Paradise Peak High Sulphidation epithermal Au/Ag deposit (+2MozAu, 40Moz Ag), 4 km NE of the Simon Mine (High grade polymetallic Ag).

The Warrior Project hosts a large mining camp with four main centres, each of which exploited high-grade epithermal mineralisation, with the Warrior, Hillside, Cute Maid, and Lou Mines mutually aligned on a prominent northeast lineament. The largest of these is located at the northeast of the camp where records from the 1920s reveal bonanza grade veins were sampled, over significant vein lengths including **90m at 52.38g/t Au** (Discovery Shaft Level 1), **15m at 59.93g/t Au** (Discovery Shaft Winze) and **33m at 27.35g/t Au** (Gold Coin Shaft). To date, no follow up drilling has been recorded.

Shown on Figure 4 below, SNX's initial drilling program targets the historically mined Discovery Shaft and Gold Coin mine areas, where historic sampling of remnant vein material (circa 1920s) suggest bonanza grade veins are present.

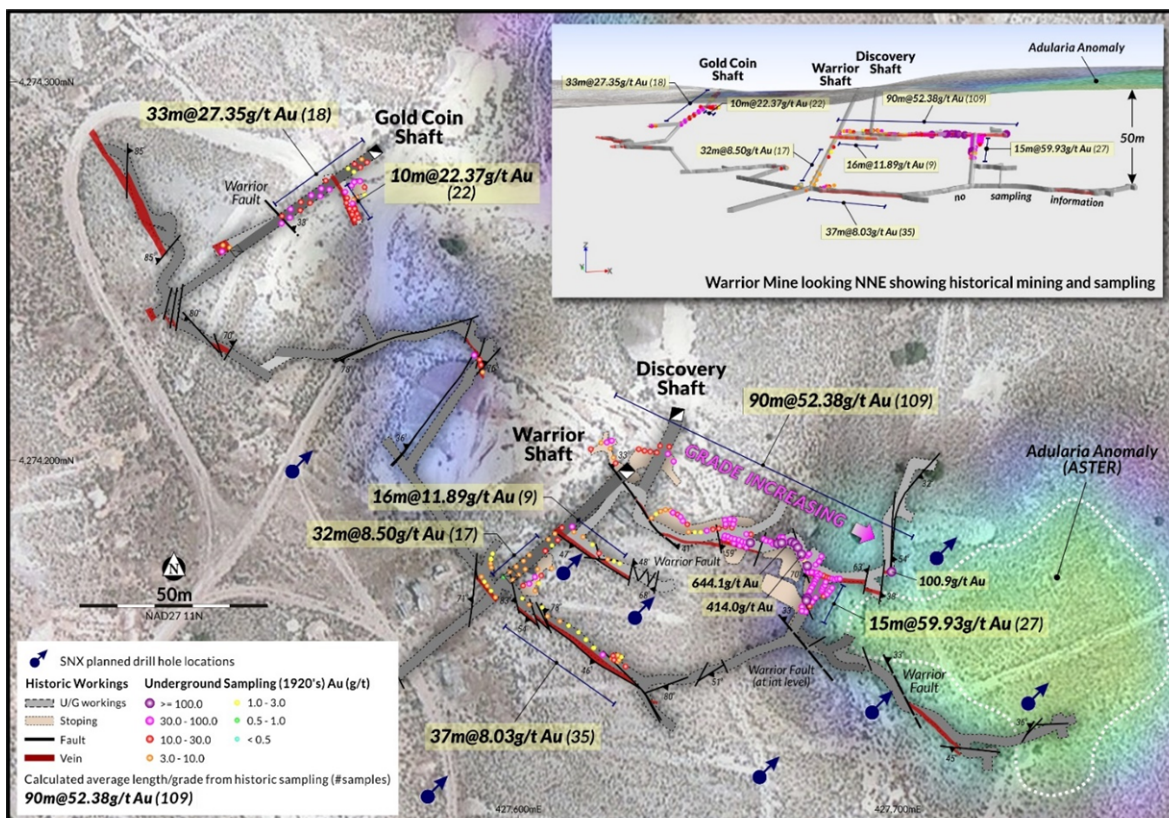


Figure 4: Plan view showing the historic Warrior Mine workings and the results of historic sampling of the remnant veins in the 1920's, with vein composites labelled. SNX planned drilling shown. Top right inset shows the oblique view looking NNE of the mine workings with sampling.

Next Steps

SNX expects the phase 1 RC drilling program to be completed by early December 2022 with first assay results from Colorback expected to be received by early December 2022. Together with this drilling program, SNX will have intensive exploration programs in progress across both the New Pass and Warrior Projects.

At New Pass, this includes detailed 3D infrastructure and void modelling of historic workings, together with geo-mechanical investigations of underground workings. Once these studies are complete and the mine workings declared safe, SNX will commence a program of detailed underground mapping and sampling of available ore positions with a view to confirming the historic estimates of past production and prospective remnant mineralisation. SNX is confident that a pathway to a high-grade gold resource can be outlined within 18 months.

SNX will also undertake a program of geochemical sampling, mapping and drill targeting at its Warrior Project to aid in developing drill targets across this camp.

CORPORATE

Annual General Meeting

At SNX's general meeting held on 23 August 2022, all resolutions passed via a poll. These were:

- Re-election of Mr Robert Gray as a Director of the Company
- Approval of 10% Placement Capacity.

Release of Securities from Escrow

SNX announced the release of the following securities from escrow:

Number	Class of Security	Escrow Release Date
817,800	SNXAA - Unquoted CDIs (1:1)	18 August 2022

Payments to related parties

Payments to related parties disclosed in items 6.1 and 6.2 of the accompanying Appendix 5B are payments of directors fees, management fees and salaries.

Use of funds comparison

Set out below is a comparison of the Company's actual expenditure on the individual items in the "use of funds" statement since the date of admission to the official list against the estimated expenditure on those items in the "use of funds" statement in the IPO prospectus.

	Use of funds estimate (per Prospectus) A\$	Cash payments to 30 September 2022 A\$*
Exploration expenditure	7,685,000	2,628,456
Project payments and claim fees	640,000	255,198
General administration and working capital	521,000	314,673
Estimated expenses of the offer	1,154,000	416,913
Totals	10,000,000	3,615,240

* - the Company's accounts are maintained in US\$; the A\$ amounts above are calculated using the average exchange rates during the relevant period

The material variances above between estimated and actual expenditures are mainly as a result of the Company having listed in early May 2022, during the June 2022 quarter. Accordingly, the above table reflects approximately 5 months' cash payments compared to an approximately 2 year use of funds period estimate, during which the relevant expenditure is not expected to occur in a linear manner due to seasonal conditions and periods of review of results. Exploration expenditure is currently relatively high reflecting the level of expenditure for mobilization and establishment of the Company's current drilling campaign, as well as general increases in cost levels compared to original budgets and the adverse effects of foreign exchange movements. General administration and working capital costs are higher than expected due to unforeseen delays, general global cost increases, inflation, supply chain issues and unfavourable foreign exchange movements. The Company will monitor these factors and manage its forecast expenditure, cashflow requirements and assess funding options as required. In addition, payments for the actual costs of the offer are below the estimate in the IPO prospectus as the Company paid for some offer expenses from available funds prior to the date of admission to the official list and prior to the receipt of IPO funds.

About Sierra Nevada Gold (SNX)

Sierra Nevada Gold (SNX) is a recently listed ASX company actively engaged in the exploration and acquisition of precious and base metal projects in the highly prospective mineral trends in Nevada, USA since 2011. The Company is exploring five 100%-controlled projects in Nevada, comprising four gold and silver projects and a large copper/gold porphyry project, all representing significant discovery opportunities for the company.



Figure 5. Location of SNX projects in Nevada, USA showing the location of the major gold and copper deposits.

This announcement was authorised for release by Mr Peter Moore, Executive Chairman of the Company.

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Competent Persons Statement

Information in this document that relates to Exploration Results is based on information compiled or reviewed by Mr. Brett Butlin, a Competent Person who is a member of the Australian Institute of Geoscientists (AIG). Mr. Butlin is a full-time employee of the Company in the role of Chief Geologist and is a shareholder in the Company. Mr. Butlin has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Mr. Butlin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Sierra Nevada Gold Inc.

ARBN

Quarter ended ("current quarter")

653575618

30 September 2022

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (9 months) US\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs		
	(e) administration and corporate costs	(377)	(743)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(377)	(743)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	(17)	(124)
	(d) exploration & evaluation	(1,162)	(2,098)
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

2.2	Proceeds from the disposal of:	-	-
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (security deposits)	-	(5)
2.6	Net cash from / (used in) investing activities	(1,179)	(2,227)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	7,118
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(111)	(442)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Payment of Lease liabilities	(8)	(23)
3.10	Net cash from / (used in) financing activities	119	6,653
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,097	967
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(377)	(743)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,179)	(2,227)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(119)	6,653
4.5	Effect of movement in exchange rates on cash held	(40)	(268)
4.6	Cash and cash equivalents at end of period	4,382	4,382

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	4,382	6,097
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,382	6,097

6.	Payments to related parties of the entity and their associates	Current quarter US\$'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	157
6.2	Aggregate amount of payments to related parties and their associates included in item 2	50
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	US\$'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(377)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,162)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,539)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,382
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,382
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.85*
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
* - The Company is of the opinion that it has more than 2.85 quarters of funding available as payments in the September 2022 quarter are relatively higher compared to expected expenditures in future quarters as the September quarter includes higher seasonal expenditures related to a current exploration program		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A		
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A		
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 26 October 2022

Authorised by: The Board

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.