

19 JULY 2023

SXG ACQUIRES HIGH-GRADE LAURA DRILL DISCOVERY AT REDCASTLE

DRILL RESULTS INCLUDE 704 g/t Au and 24.7% Sb OVER 0.1 METRES

Melbourne, Australia — Southern Cross Gold Ltd (“SXG” or the “Company”) (ASX: SXG) announces the acquisition of Prospecting Licence PL6415 located in the Redcastle district of the Victorian goldfields.

The strategic acquisition secures 100% one of the higher-grade parts of the Redcastle goldfield, where recent drilling has identified very high grades (up to 704 g/t Au and 24.7% Sb) within continuous and targetable structures above a 1.3 km long and a coherent IP anomaly.

HIGHLIGHTS

- SXG expands its epizonal gold-antimony search in Victoria, Australia with the 100% purchase of the Laura PL6415 prospecting licence for A\$300,000:
 - Provides an immediate and extremely high-grade drill discovery to expand upon and to build another project of scale for SXG.
 - Consolidates SXG’s extensive ground holding and best drill grades at the Redcastle gold and antimony field.
- Laura is located entirely within SXG’s 70% owned Redcastle JV, 2 km immediately north of Mandalay Resources’ exploration properties which contain the Costerfield Mine (Figure 1).
- Laura’s previous owners drilled 16 diamond holes for 1,923.2 m (Table 1 and 2) during 2019 below the historic Laura mine, with multiple, thin and continuous high grades. Significant results include:
 - RDDH03: 0.1 m @ 743.0 g/t AuEq (704.0 g/t Au, 24.7 %Sb) from 116.9 m
 - RDDH07: 0.2 m @ 28.1 g/t AuEq (27.9 g/t Au, 0.1 %Sb) from 67.8 m
 - RDDH08: 0.2 m @ 20.0 g/t AuEq (17.5 g/t Au, 1.6 %Sb) from 162.6 m
 - RDDH12: 0.1 m @ 42.9 g/t AuEq (20.0 g/t Au, 14.5 %Sb) from 70.9 m
 - RDDH13: 0.1 m @ 20.2 g/t AuEq (10.1 g/t Au, 6.4 %Sb) from 108.1 m
 - RDDH15: 0.1 m @ 12.5 g/t AuEq (5.8 g/t Au, 4.3 %Sb) from 75.1 m
- The Laura project also forms a key geophysical target within the Redcastle goldfield, with a 1.3 km-long coherent induced polarisation (“IP”) chargeability anomaly underlying the Laura PL6415. The IP anomaly also sits below historic mines that 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.
- Next steps are to progressively drill beyond the high-grade intercepts within the Laura area, into the 17 km of untested reef systems at Redcastle.

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 ASX Code: SXG
 Issued Capital: 183.9M fully paid shares

Southern Cross Gold's Managing Director, Michael Hudson, states, *"Laura covers the best-drilled gold and antimony grades at Redcastle. Essentially, we have bought a 16-hole drill discovery for less than the cost to drill and an extremely high-grade area from which to expand and build another project of scale for SXG. Additionally, it consolidates the extensive ground holding that SXG already has at Redcastle."*

"Recent drilling at Laura has identified 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. Excitingly, the recent drilling and extremely high-grade historic mines overlie a 1.3 km long and coherent geophysical IP anomaly (Figure 6). The gold in the Laura Shoot is continuous, with the potential to extend to depth into the IP anomaly and along strike."

"While our strategic focus remains firmly down the road at the Sunday Creek gold-antimony project, where we have four drill rigs operating, the next steps at Redcastle are to drill beyond the high-grade drill holes within the Laura area, into the 17 km of untested reef systems at Redcastle."

PL6415 Laura Drilling

PL6415 extends over 310 m strike length by 160 m width and contains five quartz reefs with extensive historic workings at surface (Figure 4), the principle being Laura (Figure 5). The historic Laura mine was one of the more productive reefs mined in the north-western part of the Redcastle goldfield. PL6415 is located wholly within the Redcastle JV EL5546 (Figures 1 and 2), held 70% by Southern Cross Gold, in joint venture with Nagambie Resources Ltd (ASX:NAG).

The previous owners of Laura (Core Prospecting Pty Ltd and Starwest Ltd) drilled 16 holes for 1,923.2 m in 2019, in the vicinity of the old Laura mine. This work returned some narrow intervals of high-grade gold and antimony, with significant results including:

- RDDH01: 0.2 m @ 7.8 g/t AuEq (4.8 g/t Au, 1.9 %Sb) from 115.1 m
- RDDH03: 0.1 m @ 743.0 g/t AuEq (704.0 g/t Au, 24.7 %Sb) from 116.9 m
- RDDH07: 0.2 m @ 28.1 g/t AuEq (27.9 g/t Au, 0.1 %Sb) from 67.8 m
- RDDH08: 0.2 m @ 20.0 g/t AuEq (17.5 g/t Au, 1.6 %Sb) from 162.6 m
- RDDH11: 0.1 m @ 18.8 g/t AuEq (11.1 g/t Au, 4.9 %Sb) from 93.3 m
- RDDH12: 0.1 m @ 42.9 g/t AuEq (20.0 g/t Au, 14.5 %Sb) from 70.9 m
- RDDH13: 0.1 m @ 20.2 g/t AuEq (10.1 g/t Au, 6.4 %Sb) from 108.1 m
- RDDH14: 0.2 m @ 12.7 g/t AuEq (5.7 g/t Au, 4.4 %Sb) from 79.3 m
- RDDH15: 0.1 m @ 12.5 g/t AuEq (5.8 g/t Au, 4.3 %Sb) from 75.1 m

This drilling data compares favourably with the Redcastle drilling data (from outside PL6415) held by SXG. Intervals in the Laura data are narrow compared with the other Redcastle data but the grades are higher, with five of the assay grades from Laura equaling or exceeding the highest Au-equivalent assays within the entire SXG Redcastle dataset. This partly reflects the 1 or 2 m sampling in the historic reverse circulation drill data, which makes up the majority of the latter, but it also demonstrates the consistent higher grade in the Laura Reef. These higher grades are also demonstrated in the Figure 5 longitudinal section, which shows consistent high-grade mineralisation from drill intersections of the Laura Reef. The lateral continuity of the reef is supported by drill core observations which confirm that the reef is a laminated quartz vein, parallel to bedding with stylonitic inclusions throughout and stibnite occurring on or close to the vein margins.

Local Geology and Structural Setting

The PL6415 Laura prospecting licence is located entirely within SXG's 70% owned Redcastle EL5546 JV. It is a shallow orogenic (or epizonal) Costerfield-style historic high-grade field. The project is located 2 km north of Mandalay Resources' Costerfield mine and exploration leases and 25 km east of Agnico Eagle's

Fosterville mine – two of the world's highest grade gold mines.

The host rocks are finely interbedded turbidite sequences of sandstone and siltstone, the oldest of which is a sequence of early Silurian turbiditic sandstone and siltstone known as the Wapentake Formation which is conformably overlain by the Silurian Dargile Formation, McIvor Sandstone and Mount Ida Formation. Overlying the Palaeozoic basement rocks are Quaternary unconsolidated clays of the Shepparton Formation and alluvial sands of the Coonambidgal Formation.

The goldfield is a structurally controlled system sitting in the western limb of the plunging Redcastle anticline. Host rocks consist of thinly interbedded sandstones and mudstones of the Wapentake and Dargile formations. In the Melbourne Structural Zone, sites of gold deposition on a regional scale appear to favour areas of refolding or interference folding, as seen in the Redcastle Anticline.

Geophysical IP Chargeability Target

The Laura project also forms a key geophysical target within the Redcastle goldfield. Drilling to date has been shallow (<135m vertical). Below the Laura drilling **a 1.3 km-long coherent induced polarisation ("IP") chargeability anomaly** generated by Mawson Victoria's 3D offset array IP geophysical survey underlies the Laura PL6415 (Figure 6). This is considered highly prospective, as there are at least 9 mined structures above the geophysical anomaly (5 within the Laura PL) where the **Welcome Group of mines reported to have extracted 20,583 oz at 254.6 g/t Au over 2 km strike length down to a maximum depth of 125 m** (in the period 1859 to 1865).

Context with Historic Mining at Redcastle

During the 1800's the average mining width was approximately 1 m on quartz veins with visible gold (individual reef widths were less than 0.6 m). The length of workings combined is 17 km with several reef systems extending for kilometres. Spurs off the main reef systems were recorded to have been worked for distances between 15 m to 33 m. It is a characteristic of Redcastle that reefs are closely spaced. On the western side of the field 14 reefs are recorded to occur in a cross-strike distance of 900 metres.

At Redcastle, the key historic targets were narrow but continuous thin (0.3 m to 1 m) very high-grade structures continuing to depth. Historical records, however, continually reference gold found marginal to reefs in the country rock (wall-rock of quartz-vein structures) with shallow modern-day reverse circulation drilling and trenching confirming that gold extends beyond these high-grade quartz-vein structures. Beyond the high-grade visible gold in quartz-veins, additional targets included vein stockworks in sandstones and dyke-hosted mineralisation. The largest dyke was mined to a depth of 27 m and was 11.5 m wide at 25 -120 g/t gold with 160 tonnes of ore extracted suggesting the dyke may have been selectively mined, although the width of the dyke suggests scope for a larger scale and lower grade target. Wider zones in stockworks (2.4 m to 4.8 m wide) and breccia zones at Beautiful Venus have been recorded up to 20 m in width. Mineralisation is typically hosted in shear veins striking ~345-360° and dipping steeply westward, containing quartz, carbonate, visible gold and antimony sulphide (stibnite). Surrounding the shear veins are a narrow <5 cm arsenopyrite and pyrite halo within the host rock which are weakly auriferous.

Context with Costerfield Mined Mineralisation

Mandalay Resources' Costerfield mine and exploration leases are located 2 km south of SXG's Redcastle JV EL5546. Costerfield is the target model sought at Redcastle. The Costerfield mine corridor contains 2 million ounces of equivalent gold (pers. comm. Mandalay Q3 2021 Results). Average drill hole widths and grades at Costerfield are: Brunswick lode (0.7 m @ 9.0 g/t Au and 4.0% Sb), Youle lode (0.4 m @ 47.7 g/t Au and 11.4% Sb), Kendal Splay (0.3 m @ 92.8 g/t Au and 41.3% Sb) and Peacock lode (0.4 m @ 13.0 g/t Au and 6.0% Sb). The average vein width at Augusta is 0.3 m, while the Cuffley lode averaged 0.4 m. Average mined widths at Costerfield are 2.0 m (Mandalay Technical Report, 2021).

Commercial Terms

The Company purchased 100% of the Prospecting License PL6415 for cash consideration of \$300,000 from arm's length Core Prospecting Pty Ltd and Starwest Pty Ltd.

Further Information

Further discussion and analysis of the Redcastle and Laura projects are available presentations and videos all available on the SXG website. These data, along with an interview on these results with Managing Director Michael Hudson can be viewed at www.southerncrossgold.com.au

Figures 1 to 6 show project location, plan and longitudinal views, and the 3D IP chargeable anomaly from Laura and Tables 1 and 2 provide collar and assay data. The true thickness of the mineralised intervals reported are interpreted to range approximately between 34% to 93% of the sampled thickness.

Redcastle Joint Venture

A subsidiary of the Company, Mawson Victoria Pty Ltd, is party to an Option and Joint Venture Agreement with Nagambie Resources Limited for the Redcastle Joint Venture tenements. Mawson Victoria has met the obligations to achieve \$1,000,000 of exploration commitments over a 5-year period set under the Farm-in Agreements by 25 March 2025, and has earned a 70% economic interest Redcastle JV. A joint venture between the parties is now in the process of being formed. Nagambie Resources Limited may contribute its 30% share of further exploration expenditures or, if it chooses not to contribute, dilute its interest. Should Nagambie Resource Limited's interest be reduced to less than 5%, it will be deemed to have forfeited its interest in the joint venture to the Company in exchange for a 1.5% net smelter return royalty ("NSR") on gold revenue. Should Nagambie Resources Limited be granted the NSR, the Company will have the right to acquire the NSR for \$4,000,000.

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 Redcastle/Laura, given current geochemical understanding, historic production statistics and geologically analogous mining operations.

SXG considers that it is appropriate to adopt the same gold equivalent variables as Mandalay Resources Ltd in its most current 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 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 Redcastle/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.

Previously reported drill results from Mawson Victoria Pty Ltd can be accessed from the follows:

- https://uploads-ssl.webflow.com/6164f987875e87a4dbb1404e/626f5bb404af2a844fec9702_Southern%20Cross%20Prospectus%20-%2017%20March%202022%20Final%20Version.pdf

Further information from reported drill results from Laura are contained with JORC Table 1 and 2 as appendices.

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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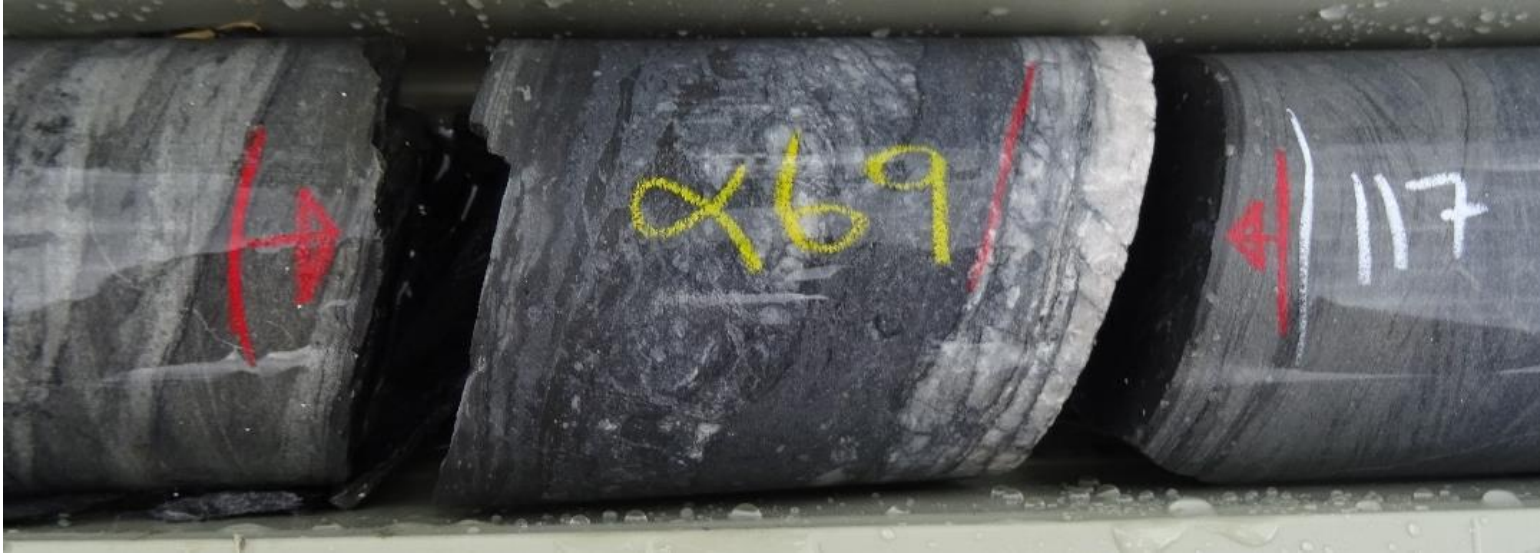


Photo 1: Quartz-Stibnite laminated shear vein with visible gold (not visible at scale of photo) and stibnite from 116.9 m in drillhole RDDH03. This sample assayed 0.1m @ 704 g/t Au & 24.7% Sb

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

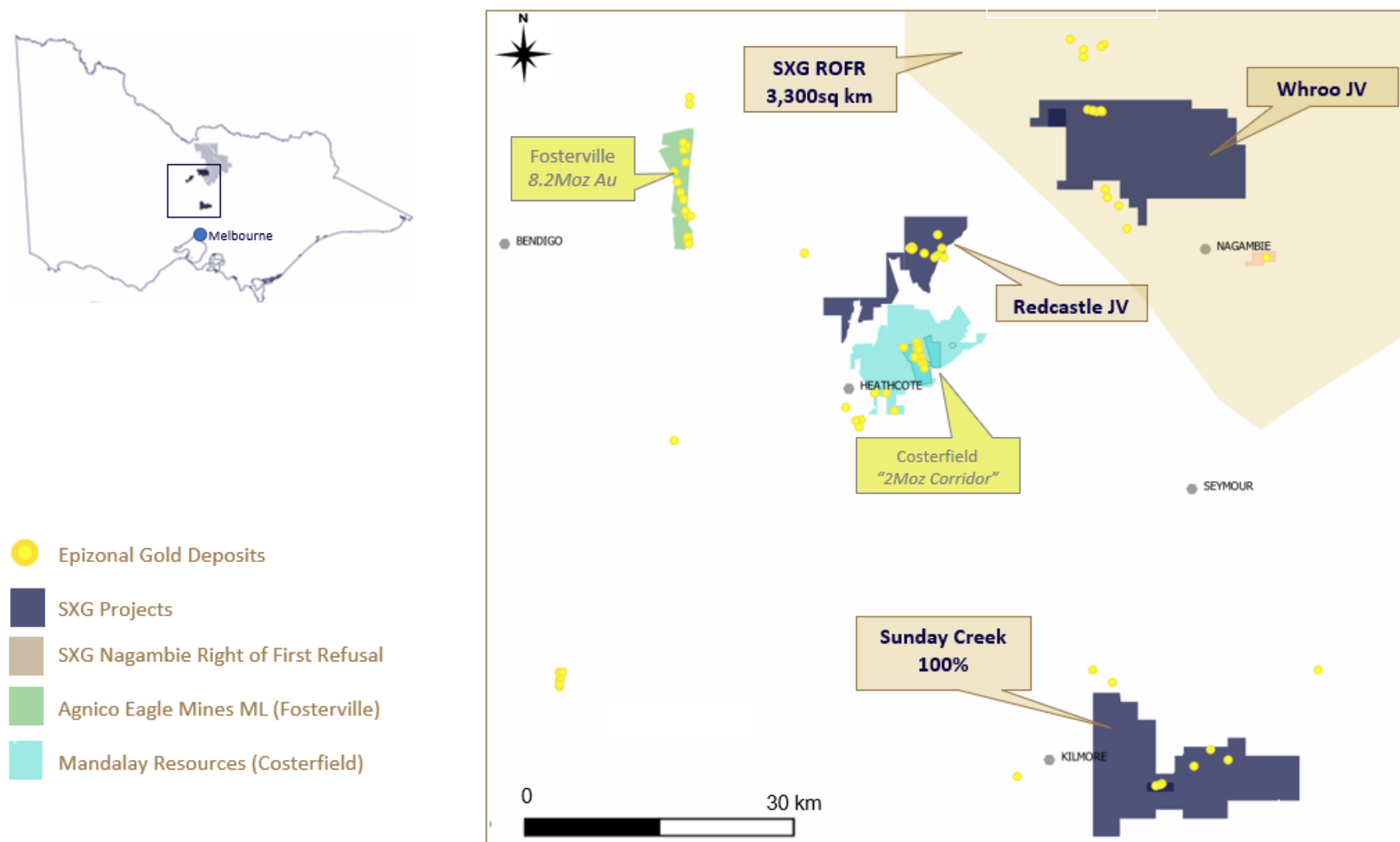


Figure 2: Location of Laura PL6415 within SXG's Redcastle JV tenement package with background geological map.

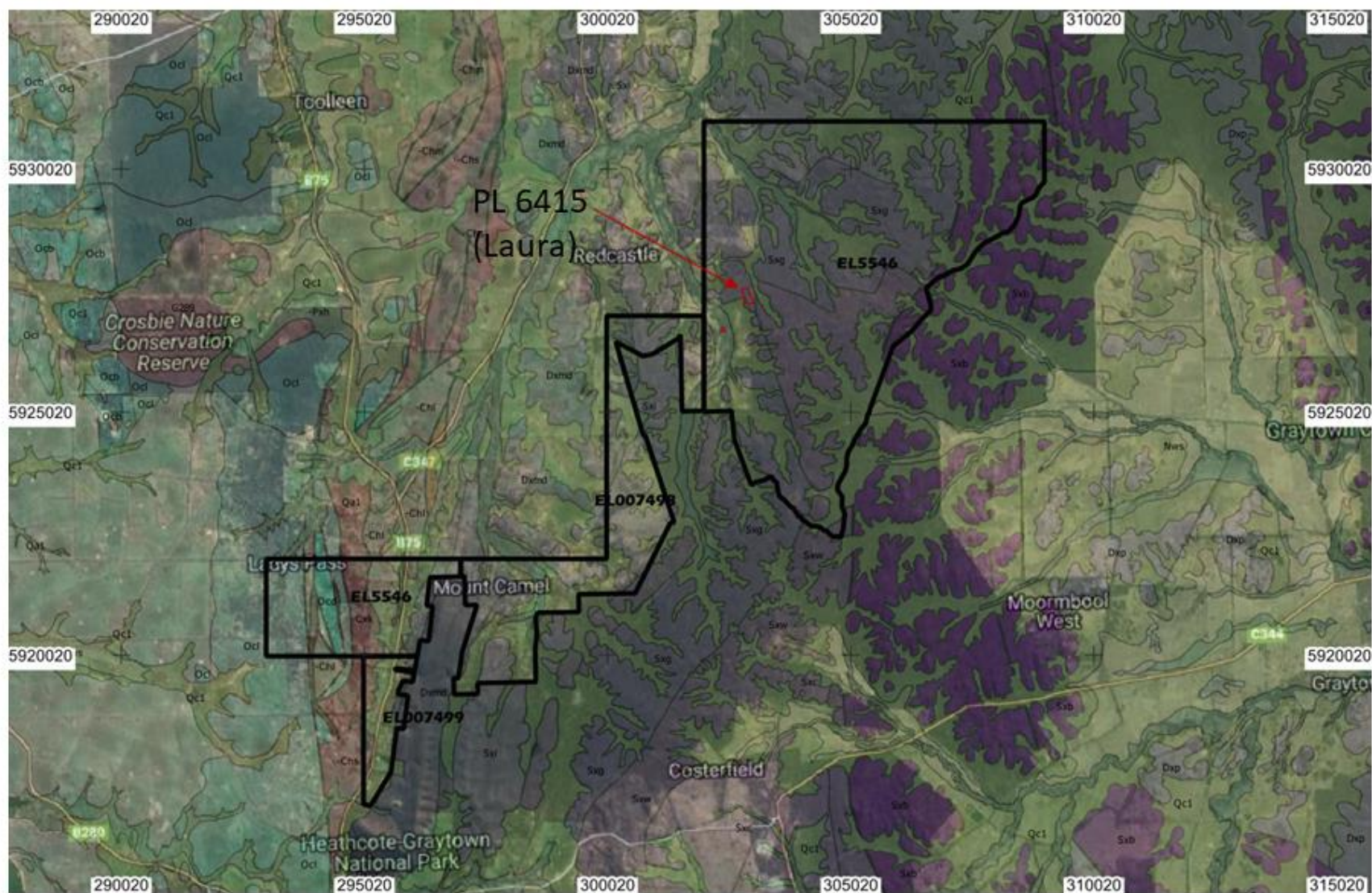


Figure 3: The Redcastle JV EL5546 showing 3D IP chargeability anomaly, anomalous rockchips and drill holes and the Laura PL6415 with LiDAR background.

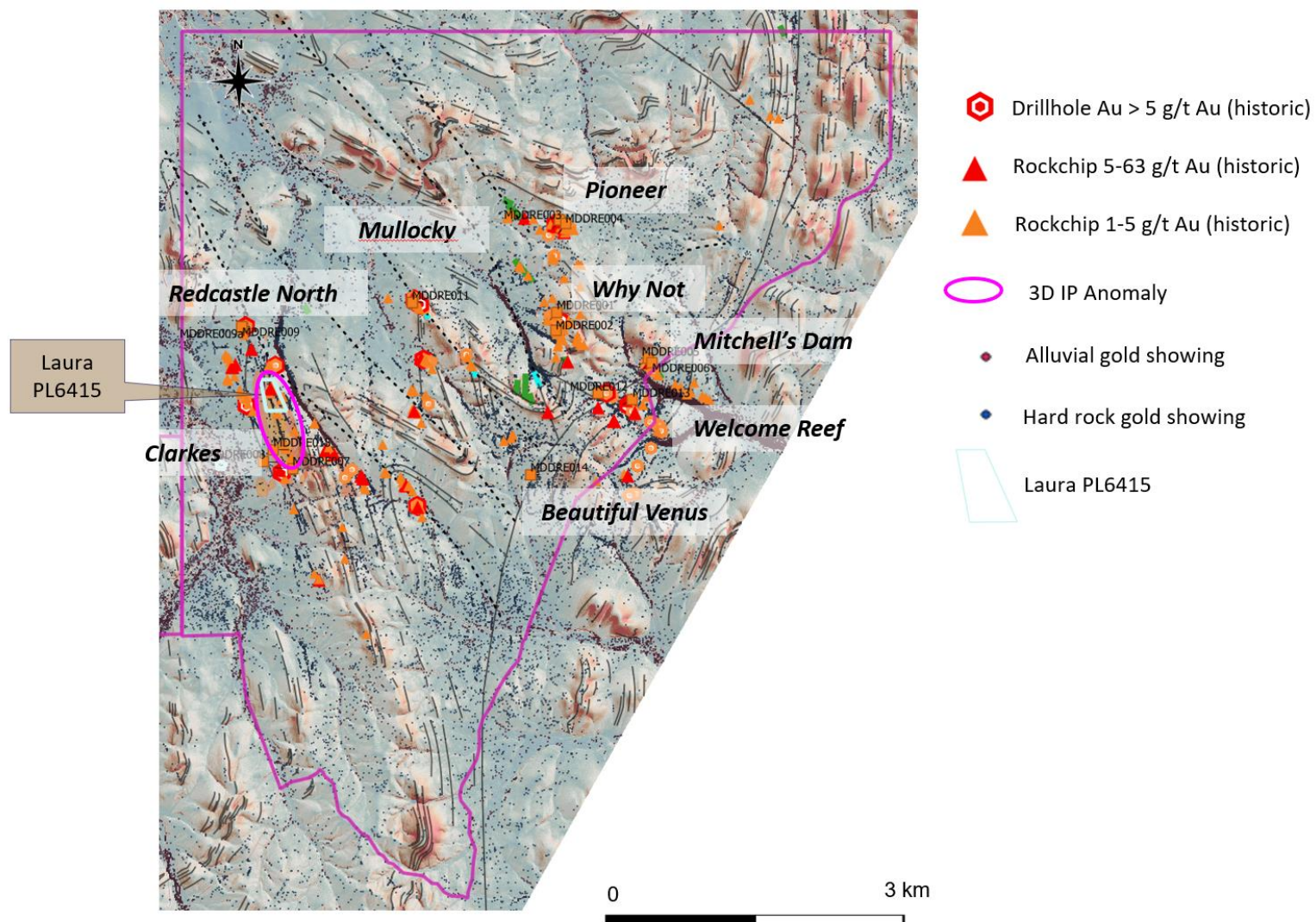


Figure 5: Laura PL6415 Longitudinal Section showing continuity of gold-antimony within the plane of the Laura Shoot.

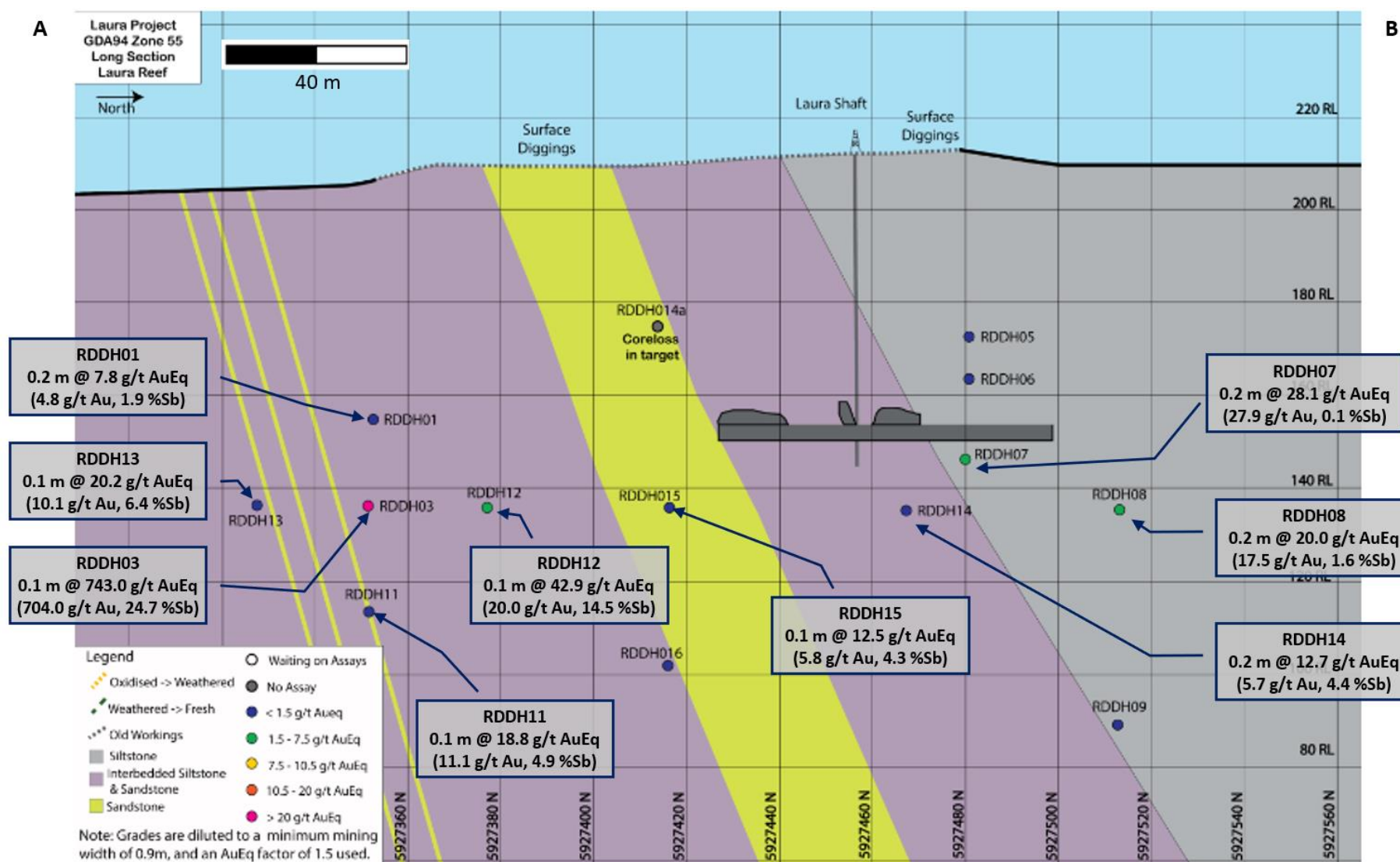


Figure 6: 3D Induced polarisation chargeable anomaly that forms a large target at depth beneath Laura high-grade drilling and historic mines.

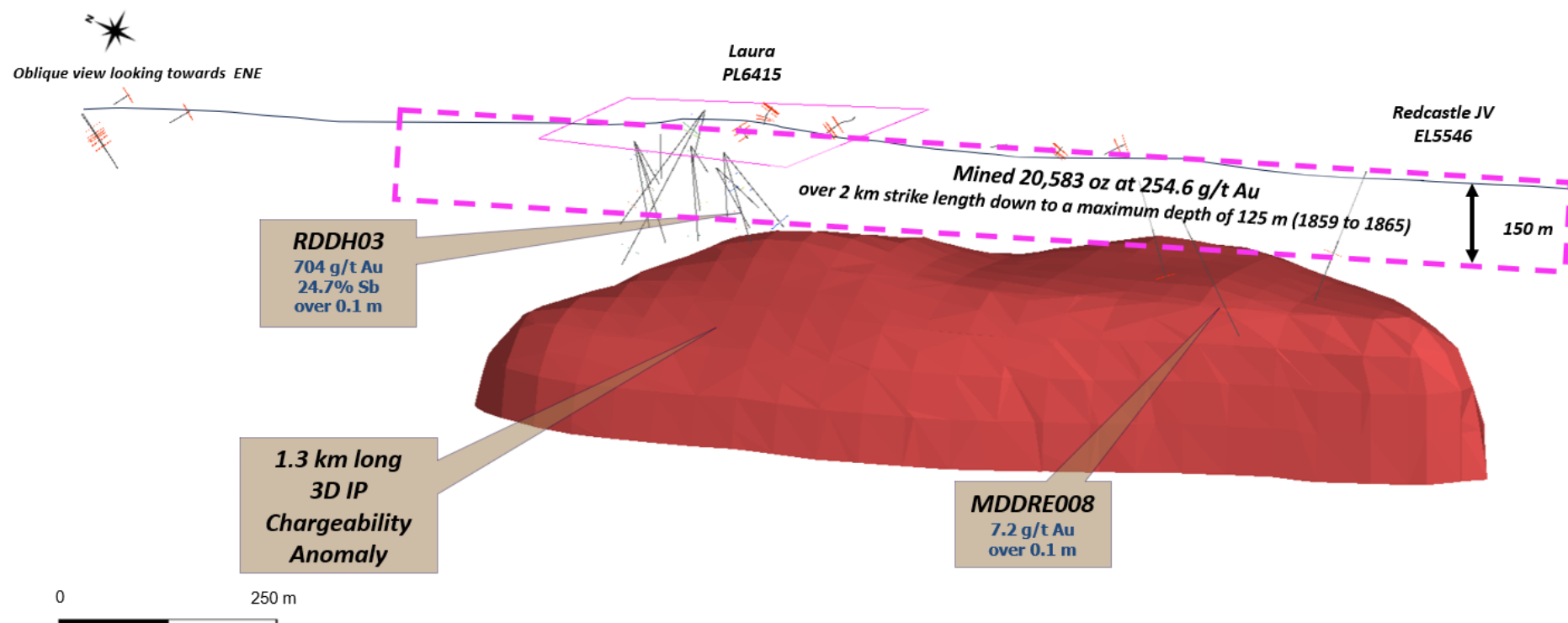


Table 1: Drill collar summary table for Historic drill holes on project. Datum GDA94_Z55.

Hole_ID	UTME	UTMN	RL	Azimuth	Plunge	Depth (m)
RDDH01	302,759	5,927,344	195.9	74.1	-25.2	201.7
RDDH03	302,759	5,927,344	195.8	74.8	-35.4	173.5
RDDH05	302,805	5,927,480	199.5	78.8	-39.8	101.8
RDDH06	302,804	5,927,480	199.4	79.9	-49.8	77.9
RDDH07	302,804	5,927,480	199.4	78.7	-64.6	119.8
RDDH08	302,950	5,927,478	205.6	272.9	-29.5	193.5
RDDH09	302,950	5,927,478	205.6	271.2	-39.9	221.2
RDDH10	302,952	5,927,478	205.4	270.9	-64.4	60.0
RDDH11	302,815	5,927,368	198.5	108.7	-70.0	116.0
RDDH12	302,815	5,927,368	198.6	63.2	-61.8	95.7
RDDH13	302,815	5,927,368	198.5	127.5	-51.3	116.5
RDDH14	302,804	5,927,479	199.4	104.3	-68.5	131.6
RDDH14a	302,819	5,927,414	199.5	81.9	-40.4	62.0
RDDH15	302,819	5,927,414	199.4	78.6	-69.8	85.0
RDDH16	302,818	5,927,414	199.4	78.7	-78.0	115.0
RDDHW01	302,840	5,927,468	202.6	78.7	-87.5	52.0

Table 2: Tables of mineralised drill hole intersections reported from The Laura Project using the cut-off criteria. Lower grades cut at 0.1 g/t AuEq lower cutoff.

Drill Hole	from (m)	to (m)	width (m)	Au g/t	Sb %	AuEq g/t	g/t AuEq x m
RDDH01	66.53	66.70	0.2	0.4	0.1	0.5	0.1
RDDH01	115.13	115.31	0.2	4.8	1.9	7.8	1.4
RDDH01	139.47	140.08	0.6	0.1	0.1	0.1	0.1
RDDH03	68.30	68.85	0.5	0.4	0.0	0.5	0.3
RDDH03	116.90	117.00	0.1	704.0	24.7	743.0	74.3
RDDH05	55.70	55.75	0.0	2.8	0.1	3.0	0.2
RDDH06	9.85	9.90	0.1	1.6	0.0	1.6	0.1
RDDH06	25.80	25.90	0.1	0.3	0.0	0.4	0.0
RDDH06	58.80	58.90	0.1	1.1	2.0	4.3	0.4
RDDH07	11.75	11.80	0.1	1.6	0.1	1.7	0.1
RDDH07	67.80	68.00	0.2	27.9	0.1	28.1	5.6
RDDH08	30.00	30.80	0.8	2.4	0.0	2.4	1.9
RDDH08	128.75	129.00	0.3	2.1	0.0	2.2	0.5
RDDH08	162.60	162.80	0.2	17.5	1.6	20.0	4.0
RDDH09	11.70	11.80	0.1	0.0	0.0	0.0	0.0
RDDH09	33.05	33.40	0.4	3.8	0.1	4.0	1.4
RDDH09	198.05	198.25	0.2	2.2	0.0	2.3	0.5
RDDH10	48.50	48.80	0.3	2.1	0.0	2.2	0.7
RDDH11	20.70	20.75	0.1	3.9	0.1	4.1	0.2
RDDH11	93.27	93.37	0.1	11.1	4.9	18.8	1.9
RDDH12	70.90	70.96	0.1	20.0	14.5	42.9	2.6
RDDH13	107.70	108.07	0.4	0.2	0.0	0.2	0.1
RDDH13	108.07	108.14	0.1	10.1	6.4	20.2	1.4
RDDH13	108.14	108.50	0.4	0.4	0.1	0.5	0.2
RDDH14	15.20	15.25	0.1	1.0	0.1	1.2	0.1
RDDH14	79.25	79.40	0.2	5.7	4.4	12.7	1.9
RDDH15	75.05	75.15	0.1	5.8	4.3	12.5	1.3
RDDH16	108.00	108.16	0.2	1.6	0.8	2.8	0.5

JORC Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Diamond drilling commenced with HQ3 and NQ2 diameter coring configuration.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 lower recovery.

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels 	<p>Gold grades are determined by fire assay/AAS.</p> <p>The following procedure is undertaken by Onsite for gold and antimony:</p> <ul style="list-style-type: none"> 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. 0.6 mL of 50% nitric acid is added to a test tube containing prill, and the test tube is placed in a boiling

Criteria	JORC Code explanation	Commentary
	<i>of accuracy (ie lack of bias) and precision have been established.</i>	<p>water bath (100°C) until fumes cease and silver appears to be completely dissolved.</p> <ul style="list-style-type: none"> ○ 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. <p>Antimony grades are determined using acid digest/ AAS. Where the sample contains antimony in excess of 0.6% concentration, the following procedure is undertaken:</p> <ul style="list-style-type: none"> ○ 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	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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 data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. 	<ul style="list-style-type: none"> • Drill hole collars are surveyed by 12-channel GPS to MGA94 Zone 55 and AHD estimated from terrain model created from publicly available land survey data

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<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Collar locations to within an estimated precision of 3m at worst. • Downhole surveys using an electronic, single-shot survey tool • The distance between drillhole intercepts is approximately 50m x 50m. This is reduced to 20m x 20m in areas of structural complexity. • No sample compositing has occurred.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether sample compositing has been applied.</i> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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. Therefore the drillhole azimuth directions are approximately perpendicular to the prevailing strike of the local geology.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • 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.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Laura Project is now owned 100% by SXG and was purchased for \$300,000 50% from Core Prospecting Ltd and 50% from Starwest Pty Ltd. The PL is in good standing with no known impediments. The drilling program has taken place wholly on Crown land.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Minor first-pass exploration drilling has been carried out by ASX listed Nagambie Resources prior to Core Prospecting acquiring the project.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> 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 Laura 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	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) 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. 	<ul style="list-style-type: none"> Appendix 1 Table 1: Collar location coordinates, downhole depths, azimuths, declinations. Table 2: Downhole intervals of maximum gold grades.
Data aggregation methods	<ul style="list-style-type: none"> 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 results and longer lengths of low grade results, the procedure used 	<ul style="list-style-type: none"> 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
Relationship between mineralisation widths and intercept lengths	<p>for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 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'). 	<ul style="list-style-type: none"> See reporting of true widths in the body of the press release.
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The results of the diamond drilling are displayed in the figures in the announcement.
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All drilling inclusive of holes which did not contain significant intersections are included in Tables 1 & 2
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No other exploration results that have not previously been reported, are material to this report.
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> See reporting of next steps in the body of the press release